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TRANSCRIPT OF PROCEEDINGS,
Meeting of the
SUB-COMMITTEE ON CITY AND COUNTY FUNCTIONAL CONSOLIDATION,
Los Angeles, California,
December 9, 1953. 7

Members

Donald D. Doyle, Chairman
Frank Lanterman
A. I. Stewart
Walter I. Dahl (Appointed subsequent to
December 9)

California Legislature

ASSEMBLY INTERIM COMMITTEE
on
MUNICIPAL AND COUNTY GOVERNMENT

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ASSEMBLY INTERIM COMMITTEE
on
MUNICIPAL AND COUNTY GOVERNMENT

Earl W. Stanley, Chairman

Meeting of the Sub-Committee on City and County Functional
Consolidation - Room 706 State Building, Los Angeles
December 9, 1953

Present

Donald D. Doyle, Chairman
Earl W. Stanley
Frank Lanterman
A. I. Stewart

Staff Present

Dr. George W. Bemis, Research Director
Geoffrey Cook, Research Assistant
Mrs. Cristine B. Harrison, Secretary

Also present were the following:

CITY OF BURBANK

Ralph H. Hilton, City Councilman

CULVER CITY

Thomas F. Gunn, Chief Administrative Officer
Arthur J. Lund, Assistant Chief Administrative Officer
G.E. Gartman, Purchasing Agent

CITY OF GLENDALE

Hal E. Wright, Mayor
Charles B. Briley, Assistant City Manager
John H. Louten, Assistant City Attorney

CITY OF HUNTINGTON PARK

Christopher J. Griffin, City Attorney

CITY OF PASADENA

J.N. Edmondson, Pasadena Fire Chief
Robert M. McCurdy

CITY OF POMONA

Fred W. Sharp, Administrative Officer

CITY OF LOS ANGELES

Gordon H. Hahn, City Councilman
Walter Thiel, Assistant to the Mayor
Fowler D. Jones, Legislative Analyst of City Council
Jack W. Rhodes, Office of Legislative Analyst

COUNTY OF LOS ANGELES

Harold W. Kennedy, County Counsel
Robert Blum, Chief Administrative Officer
John R. Leach, Chief Administrative Office
E.T. Bowler, County Firemens Association
J.W. Duncan, County Fire Department
V.C. DeLapp, County Fire Department

COUNTY OF SAN DIEGO

T.M. Heggland, Chief Administrative Officer

OTHERS PRESENT

Wm. R. MacDougall, County Supervisors' Association
Murray Brown, League of California Cities
Winston Updegraff, League of California Cities
Judith Jamison, Bureau of Governmental Research, U.C.L.A.
Winston W. Crouch, Director of Bureau of Governmental
Research, U.C.L.A.
Louis A. Gretz, Legislative Chairman, League of
Unincorporated Communities
A. D. McLennan, Santa Fe Railway
John W. Foutes, Bell Gardens Betterment Association, Inc.
H.S. Ratterrie, Bell Gardens Betterment Association, Inc.

CHAIRMAN STANLEY: I might state first that we are meeting under authority of House Resolution 228 which reads in part as follows, in fact, it directs the Committee "in addition to other studies required to be made by it

"It is hereby directed to ascertain, study and analyze all facts relating to problems of cities, counties and districts, and the relationships between them and between them and the State, including the operation, effect, administration, enforcement, and needed revision of any and all laws in any way bearing upon or related to the subject of this resolution, and to report thereon to the Assembly, including in the reports its recommendations for appropriate legislation."

We also had a resolution introduced by Assemblyman Thomas. In fact, he had a Constitutional Amendment proposed up there that was turned over to the Interim Committee on Governmental Efficiency and Economy. This resolution, through the Speaker, was referred to our Committee with instructions to do what we wanted with it. In other words, this original Constitutional Amendment was for consolidating all the cities and any county of over 4 million people into one city and county government. Now we have had quite a bit of discussion in our own Committee pertaining to this Constitutional Amendment and feel that it isn't the proper time to go into that theory at this time. However, there are functional services which might be overlapping and may be consolidated and that is the purpose of this Committee.

The members of the Committee, in fact I might state that in our Municipal and County Government Committee this year we have taken all of our different subjects and put them under

sub-committees, and this particular committee is under the chairmanship of Donald Doyle from Lafayette, and it is the Sub-Committee on City and County Functional Consolidation. The members of this Committee are Frank Lanterman and A. I. Stewart, both from Pasadena and the Pasadena fringe area. Frank is from the fringe area.

ASSEMBLYMAN LANTERMAN: I am from La Canada.

ASSEMBLYMAN STANLEY: I don't know what has happened to A.I. Stewart. He told me he would be here this morning so he will no doubt be in pretty soon. We have our Research Director, Dr. George W. Bemis here, who has just stepped out of the room, and his Assistant, Geoff Cook. At this time I will turn the meeting over to the Sub-Chairman, Donald Doyle.

CHAIRMAN DONALD D. DOYLE: Thank you, Mr. Stanley. First of all I should like to thank Mr. Winston Updegraff, who is the Southern California representative of the League of California Cities, for helping us in arranging this meeting and getting you gentlemen here this morning. Now, because of other meetings going on in the area, there are two gentlemen whom I will introduce who will have statements to make before we call on the first speaker. Mr. Jones of the City of Los Angeles, did you have a statement you would like to make? Will you take mike number 5 over here and perhaps the audience can hear you also.

FOWLER D. JONES, LEGISLATIVE ANALYST OF THE CITY

COUNCIL OF LOS ANGELES: Mr. Chairman and gentlemen of the Committee. I am here particularly to express the interests of the Council of the City of Los Angeles (I being their Legislative Analyst) in these hearings and the fact that they are glad that we are able to participate. Because the Council meetings are held each morning at 10 o'clock, they cannot always be here and I cannot always be here but my office will be represented at all of these hearings to obtain information which will be available for all of the Council members. That is the main thing I wanted to say. I want to thank you very much for the opportunity of being here.

CHAIRMAN DOYLE: Thank you very much, Mr. Jones. Now, does anyone else want to make an announcement as to why they are here if they have another meeting they want to get out to before we call on the next gentleman? I thought we would start the Committee off this morning by hearing from Mr. Winston W. Crouch, Director of the Bureau of Governmental Research, University of California at Los Angeles. Mr. Crouch, as many of you know, has given much study to the problems we are going to discuss this morning. I am sure you are familiar with the Haynes Foundation and the work that they have done. Mr. Crouch, a director of that organization, has put in a lot of time and effort. So, we would like to hear now from Dr. Winston W. Crouch. Dr. Crouch.

DR. WINSTON W. CROUCH, DIRECTOR OF THE BUREAU OF
GOVERNMENTAL RESEARCH, UNIVERSITY OF CALIFORNIA AT LOS ANGELES:

Mr. Chairman and gentlemen, I am very pleased to be able to come here this morning and to make this presentation at the invitation of the Committee. While I am a Professor of Political Science and Director of the Bureau of Governmental Research at U.C.L.A., I would like to make it plain that I am not here as an official representative of the University. The University, of course, does not make any advocacy of matters of this sort and any conclusions that I may express here are my own conclusions. I am not here to advocate a particular line of action or a particular point of view, but to, as the Chairman pointed out, present materials drawn from the research which has been done by the Bureau of Governmental Research over a period of about 12 years and by the staff of the John Randolph Haynes Foundation that has been associated with us in making a number of studies in inter-governmental cooperation of which functional consolidation, of course, is a part. So, the presentation that I had planned to make this morning is drawing out some of the high points and observations that have been made in these studies, trying to point out some of the types of functional consolidations, some of the conditions that existed here, and some of the results that have come out of the experiences with inter-governmental relations and functional consolidation.

I think it might be of interest to the Committee for me to point out first that some of the functional consolidations here

in the Los Angeles area go back to the 1890's. However, the main story begins about 1912 and really gets underway, historically speaking, in 1913. There are several historical reasons for that. One of them was that in 1912 Los Angeles County adopted the first County Charter in the United States, under a California Constitutional Amendment that had been adopted in 1911, and that Charter went into effect in 1913. In 1914 the State Constitution was amended again to permit counties to undertake municipal type services. Also, in 1913, the Legislature permitted the cities and the counties to enter into quite a large number of contracts - cities to contract with counties, or with other cities, to undertake quite a number of functions. So the main story of functional consolidation in the Los Angeles area gets underway about 1913. The 1913 period also was a period of great expansion and great activity in this area and quite a number of cities were incorporated at that time. So I think that it is not at all strange that the main story of functional consolidation here started at that time. It might also be of some interest to the Committee that in the Los Angeles area there probably has been a greater experience with functional consolidation of certain types than you will find anywhere in the United States - greater from the standpoint of the number of governments that have been involved and greater from the standpoint of the number of types of consolidational activities that have taken place.

I think that pertinent to the discussion this morning there are probably three types of functional consolidation that have been worked on here in this area, under California law. One might be called "outright consolidation" in which a function may be transferred completely to another unit of government. The only example of that that we had here was the transfer of the Weights and Measures Administration from cities entirely to the County. That, I believe, is the only example of complete, outright consolidation here in this area.

A second type might be called "transfer of a service from one unit of government to another" with the understanding, or the privilege, that the transfer might be withdrawn later, or the function reestablished under local administration; and a couple of examples will point out what I have in mind there, for example, library administration. An incorporated city may accept service by the county in which case the county provides the entire library administration within the city, and a special county tax rate is charged to pay for that service. However, in library law the city may withdraw and set up its own municipal library, in which case the county pulls out of that particular jurisdiction. Another example of this type of functional consolidation would be in the health field where the city may by action of the city council transfer the basic health administration to the county. The county then performs the work and pays for it by countywide tax. However, under the same law, the city may withdraw from that arrangement. It may appoint its own health officer and may

reestablish local health administration. Now those are two examples of the second type of transfer of service where there is flexibility - where the local government may withdraw and re-establish its own service.

A third type, which perhaps we have been more concerned with in our studies at the Bureau and at the Haynes Foundation, has been a kind of functional consolidation by contract arrangements. These contracts, at least in the Los Angeles area, are almost all of the type that are continuing unless specifically cancelled at a certain time by one or the other of the contracting parties. I bring that out because it is usually not necessary for them to get together each year and to re-negotiate the contract. The contract, once made, continues until one party or the other cancels it. These contracts may be between the city and the county, or between one city and another city, or in some instances, for example for personnel services, a city may make a contract with the State Personnel Board for personnel contracts.. A further subdivision or analysis of this contract arrangement would be to contract for full service, for example, tax assessment and tax collection; or cities may, and do, make contracts with the county for full service, practically complete functional consolidation within the time that the contract exists. In Civil Service and personnel work, cities may, and in Los Angeles County 17 cities have contracted - and nine of them contract for full personnel service with the County Civil Service Commission. Another subdivision would be where cities choose to make a

contract for part service and perhaps two examples there would suffice. Some of the cities contract with the County Civil Service Commission just for the giving of examinations but do not contract for the rest of the personnel work. They either make contracts with other agencies or do the work themselves with a local employee. Another example would be an enforcement of local health ordinances. A city council makes the ordinance and contracts with the county health department to enforce it, or may make any subdivision of that work that they choose locally to do. One feature that needs commenting upon, I think, about contracts, is that the conditions of service usually can be worked out by mutual agreement between the two contracting parties, although in Los Angeles County there is considerable uniformity of the contracts for each of the functions. Also, contracts have this attractive feature, I think, that the amount of compensation for services can be worked out mutually between the contracting units of government.

From the studies that have been made, it seems to me that these observations might be of interest to the Committee about conditions under which functional consolidation may have developed most successfully. A tabulation that we have made correlating the dates in which cities in Los Angeles County have been incorporated with the dates in which they have contracted with the County for certain services, shows this to be true, that the largest number of functional consolidations by contract have been worked out between newly incorporated cities

and the County. Quite a large number of the cities that have contracts with Los Angeles County for tax assessment, for tax collection, for health administration, and for library administration, made those contracts either at the same time the city incorporated or within a year or two following the incorporation. I think it would be accurate to say that the largest number of these functional consolidations took place, or at least the pattern started out, at the time in which we had the heaviest amount of incorporations of cities in this particular area. Many of these cities have never had their own departments for tax assessment and tax collection. Many of them have never had their own health departments; and quite a number of them have never had their own municipal libraries. They have been served by the County from the very start. In a large number of instances, the communities that incorporated had been served by the County Library and the County Health Department prior to the incorporation so that when the city incorporated it seemed to be a natural step then for them to make a contract to continue that work without establishing their own municipal departments.

Another general observation is that some cities have made contracts with the County where the city had not undertaken this particular function before as a municipal function and for local policy reasons had now decided to undertake it. A good example, I think, is that of Civil Service and Personnel. A number of cities that had not had Civil Service ordinances, a Civil

Service program in their city, have now decided to do so and have chosen to come to the County Civil Service Commission or to the State Personnel Board, and to work out a contract for the provision of personnel work in the city, rather than establishing a Civil Service Department and a Personnel Program entirely within the city.

A third general observation, I think, would explain some of the conditions too where a number of the functional consolidations occurred where cities which had operated for a period of time on part time work and often, because of the growth of city population or other similar reasons, has decided that they want to have full time service and they make the choice at that time, then go out and make a contract to engage in some functional consolidation in order to avail themselves of the services of a larger program. Again, the best example might be in the health field where some of the smaller cities had had, prior to functional consolidation, part-time health officers, and because of changed conditions of the city they decided that they needed full-time health work and that they needed the services of a large, specialized organization for general basic health work, for laboratory health work, for sanitary inspection, and the like; and at that time they chose to make a contract to enter into a type of functional consolidation.

A fourth consideration that seems to have been present in many of the instances where functional consolidation has taken place would be where a city has had a municipal department,

let's say tax assessment or tax collection, for a period of time. The point at which they seem to have made the choice to go into a functional consolidation arrangement was when the municipal official retired. The municipal tax assessor retired and at the time that they were making the choice of selection for a successor, they decided then to avail themselves of the work of a larger and more specialized department. I might comment, parenthetically, that I know of no specific instance, in the Los Angeles area at least which we have studied, where a municipality had entered into functional consolidation and has worked out an arrangement to transfer the entire departmental staff to the use of the government with which they make functional consolidation. Mr. Heggland who, I think, is to speak to the Committee a little later this morning, will talk about a particular instance in another community. But, I believe we have no similar example in this area.

A fifth type of condition where functional consolidation has apparently developed successfully, I have called a condition where natural conditions, geographic conditions and the like, make a joint effort desirable. This one will illustrate functional consolidation between several cities. This is the situation where, I believe, it is now eight cities that have made a contract with the City of Los Angeles to tie their sewer systems into the Los Angeles City sewer system and to jointly finance and support the treatment plant and ocean outflow at Hyperion. The natural conditions that I refer to there

are ones in which it was advantageous, both to the City of Los Angeles and to the contracting cities, to enter into this contractual arrangement because the City of Los Angeles found that in order to connect its sewer lines to serve portions of the City of Los Angeles and to take advantage of gravity flow, for the most part, it was advantageous to make a contract to go through another city such as Burbank, Glendale, Vernon, Culver City, and the like. When the City of Los Angeles took the initiative to work out that arrangement, it then seemed to be quite desirable to make a contract with those cities to permit those cities to discharge their sewage into the Los Angeles City system under conditions that were worked out in the contract. It seems to me that that is a situation that occurs where you get some functional consolidation, where capital structure is involved because by the very nature of the operation and because of the geographic layout it seems to be advantageous to all parties. I am sure that it is pretty well settled public policy in this area that we cannot afford to have a large number of sewage systems discharging sewage either into the ocean or into treatment plants in the area so that the very nature of the problem seems to bring about the necessity for some kind of functional consolidation. Two other examples that I might give here, a story picture at least of this kind of functional consolidation, was the one that the Cities of Pasadena, South Pasadena, Alhambra, and I believe San Moreno, had for a period of years for the so-called tri-cities' sewer farm, operated by a joint contract, but Pasadena

was the main operator, that I believe has now been merged into the County Sanitation District system. Another example is the tri-city arrangement between the Cities of Pomona, Claremont, and La Verne, where Pomona has been the principal operator but the other cities have contracts to use the Pomona plant. A fourth kind of example of these joint efforts might be the contract that the Cities of Los Angeles, Glendale and Burbank have for the City of Los Angeles to bring power from the Hoover Dam Plant to the three cities over the Los Angeles City lines, and each of the cities pays a stipulated share and receives a stipulated share of the power brought in in that way. Again, it seems to be agreed public policy that it is wisest to have one line, or one series of lines, operated by one operator, rather than duplication of effort by each of the three cities - and capital cost in that way. Again, in summary on that, we might say that each of these seem to point to conditions where each contract system was mutually agreeable. It was worked out by agreement. I would like to comment though that the contract arrangements and the functional consolidations in each instance were somewhat different - conditions worked out peculiar to the subject rather than following a standard pattern.

I think it might be of some interest to the Committee to summarize some of the problems on financing of functional consolidations or the types of financing that are used. There are several of them. One of them would be, as in the case of the library program where a county special tax is levied in the area that is served, including both unincorporated and incorporated

areas that are served by this particular functionally consolidated program.

Other types of financing would be in the contract arrangements where the municipalities that are served pay a percentage of the cost, or rather, pay a sum that is calculated in terms of the percentage of the sum that is handled. An example of that would be in tax assessment and tax collection, where the cities that are served pay a cost computed on the basis of the percentage of the total sum collected and turned over to them, a cost usually that is much less than each city would have to pay for a separate tax assessment and tax collecting staff.

Another kind of financial arrangement under the contract system is a payment in terms of the number of employees in the municipality that is served. An example here is the Civil Service contract where cities pay for the service in terms of the number of employees that they have that come under Civil Service, a kind of a unit cost basis.

The third type would be in terms of the number of inspections or other actions, as in the case of health, where the number of inspections that are made is the unit of cost or charge made to the contracting cities.

A fourth example would be one from the sewer contracts where the cost to each city is figured on the basis of the maintenance cost, again computed in proportion that the city receives service to the total amount of service rendered to all the cities, the cities joining in the functional consolidation.

Now, turning to another heading we might call "Problems of Functional Consolidation", this certainly is not an exhaustive list but they give some of the high points. Certainly from the standpoint of the agency that is undertaking to perform the functional consolidation program, in other words the agency that has made the contract, there is this problem. Can they count upon a continuing program so that in planning their program of work, can this be stable enough, for example, the tax assessor, or the Civil Service Commission, or the health department - can they be sure that the program that they are going to be called on to perform each year is going to be reasonably stable? Actually, the record in Los Angeles has been that the contracts particularly have been quite stable. There have been relatively few withdrawals. The published reports put out by the Haynes Foundation and the Bureau, I think, indicate the number, but the number of withdrawals have been remarkably few so that the programs have been rather stable from the standpoint of the contracting agency.

Another question that is a very pertinent one, is, I believe "Is the department that is undertaking the program of work adequately compensated? Is it getting adequate compensation from the unit of government that it is serving, and is it getting an adequate share in its budget to do the work?" The answer to that is not very clear. I cannot give a complete yes or no answer from the studies that we have made. I think that most of the departments that are performing the services are

doing it at a minimum cost and certainly are not using the contracts as a basis of padding their budgets. In fact, I think some of the departments could make a pretty persuasive case that they are carrying a part of the load out of their regular budgeted cost but there may be a small amount of hidden subsidy involved - but that is a tentative conclusion. I have no elaborate figures to back that up.

Another question that is a very important one is, I think, "Are the standards of performance maintained? Are the standards of performance by a department that is carrying out work for contracting cities, for example, or other cities, equal to the standard performance provided in their own regular organization?" So far as I can tell from the studies that have been made, the answer is yes, that the standards of performance are the same both for the contracting agencies and within the agency that is performing the work. That, I think, is one of the attractive features of functional consolidation, that in many instances it enables smaller cities particularly to gain the services of a larger administrative organization and to participate in the standards that they are trying to maintain.

Another question which perhaps is more of an administrative one than one that might concern this Committee is, "Is special staff assigned to do contract work?" In other words, are these departments that are doing the work either for the county or for the cities, do they have to add staff? Do they set up special staff just to serve contract agencies? Do they look as though

they are in the business of doing contracts? The record there seems to indicate not. They are doing the work as a part of their regular program and they have not chosen to set up special staffs. We do not have any very identifiable figures though to show how much additional staff had to be added. Certainly there must have been some because of the added volume of work. In the case of tax assessment and tax collection, however, that is a function which the County is required to perform anyway and it seems rather reasonable to assume that not much additional staff, if any, is required to service the cities that contract for that work.

In the instance of carrying out a program like a sewer system, a capital structure under functional consolidation, several problems arise that are peculiar to that. One of them, certainly in the sewer administration field is "Can the city, such as Los Angeles, be sure that the other cities contracting with it are enforcing rules and regulations that will not produce situations that will damage the Los Angeles City sewer system and be expensive to the City?" All the contracts, I believe, that L.A. City has entered into on the sewer plan has required the contracting cities to enforce Los Angeles City sanitation and sewer ordinances and to protect the sewer system in the same way that the City of Los Angeles protects its own.

The second problem similar to that, and this I believe has been taken care of in the contracts, is insistence upon a definite measure to determine capacity so that the City of Los

Angeles, or any other contracting agency, isn't suddenly faced with a bigger task, a bigger job to do, because their contracting partners weren't too intent upon enforcing that. The contracts in each instance though, I believe have taken care of that.

Another problem in that particular field is, "What is the responsibility for proper maintenance of the plant?" The contracts that Los Angeles City have made have assured the other cities that Los Angeles would maintain the plant properly and I don't know that you can go much further than that. However, it was a point of contention, certainly, in the sanitation suit that was tried in 1946, an action brought by the State Department of Health against the various contracting parties in that sewer organization.

Another question would be, "What about the allowances for future growth? Is there any provision in the contract in the functional consolidation for future growth, to take care of the growth of population and the demands on the areas? Is there provision for re-negotiation?" I think that is one point in these contracts in which perhaps further study needs to be made, as to whether or not there is adequate protection to the contracting city, Los Angeles, to protect itself against demands made by rapidly growing cities that are growing with it. How are they going to share the costs of additional improvements that may be needed as a result of this growth? What about the costs of re-construction? My own impression there is that

perhaps the costs of reconstruction can only be negotiated and figured out when your present plant is at a point where it may be obsolete, or need reconstruction, and then you go into a separate round of contract making. But that is one of the inherent difficulties in that type of functional consolidation. It is not perhaps one that would completely rule it out but it is an inherent difficulty.

While we are talking about this, I would like to point out another type of functional consolidation that I didn't include at first, but it seems to me that it is proper to at least take recognition, and that is the type that would be illustrated by the County Sanitation Districts in this area. It seems to me this is a very interesting system of functional consolidation. It is a kind of a federated plan where cities and the county, representing unincorporated territory, may join together through special districts in a very flexible type of arrangement. I think that there is no kind of combination that is barred in the County Sanitation District system. You can get any kind of a combination of governments and jurisdictions that may arise, an extremely flexible kind of system. It is an organization that stems from contractual arrangement, you might say, at least of a type. It is mutually advantageous to all parties that go into it. Each member unit is responsible for a certain part of the work, particularly that within its own district, but then the districts have banded together for a central system to provide the trunk lines and the treatment

system and the outflow sewer that is necessary for the combined system, and they share in the costs of that latter work and they share in the control and the policy making of the central system. It seems to me that this is a very excellent type of functional consolidation.

Now, in closing these remarks, I would like to just point out four or five conclusions about functional consolidation. It seems to me that it has merit on the basis of the experiences here but the functional consolidations that I have been talking about are the result of mutual agreement. It has not been forced by any central government. It has been the result of mutual agreement. Particularly the contract systems are flexible. They permit either party of the contract to cancel and to offer to renegotiate at annual intervals. Certainly the consolidation is typically Californian in that it preserves the best traditions of home rule tradition, municipal home rule and county home rule that this State has long been proud of, and functional consolidation, it seems to me, to avoid many of the tensions that develop over attempts to achieve area consolidation, because it is more flexible and it is possible to renegotiate as new problems arise. Area consolidation, however, is usually for keeps and does not offer much opportunity for renegotiation of relationships.

Another merit, it seems to me, of functional consolidation on the experience here is that it does tend to reduce duplication of effort between local units of government that are

operating in the same general area and the same general economy. Another merit, in most instances, it would seem that functional consolidation permits smaller units of government to take advantage of the specialized offerings that are possible from large scale organizations. As a direct result then of that, it seems to me, functional consolidation has merit in that it tends to strengthen the small local governments, many of whom might not otherwise be able, or might not otherwise be attracted, to establish certain programs for themselves, or delay for a long period of time, in establishing those programs. But, by having a freedom of choice in making contract arrangements, it can achieve those services for themselves under conditions that are mutually satisfactory to them and to the unit of government with which they are contracting, either the county or another city.

Mr. Chairman, that concludes my analysis of the study. There are many other things, of course, that could have been brought in but that seemed to me as being the summary that might be made in a reasonable length of time.

CHAIRMAN DOYLE: Fine, Dr. Crouch, thank you very much. I am wondering if you have any information there that you would like to submit to the Committee so that we may have it for our records - other than what you gave us which we will have transcribed?

DR. CROUCH: I have a tabulation here. It is not in form at present that I could submit it but I could have some copies made a little later and send them to you. I think that

they would show many of the things that I have talked about today and I would be very happy to make that available to you.

CHAIRMAN DOYLE: We would appreciate that very much. Now, do any members of the Committee have a question of Dr. Crouch?

ASSEMBLYMAN LANTERMAN: I would like to ask him some questions if it is permissible.

CHAIRMAN DOYLE: Mr. Lanterman.

ASSEMBLYMAN LANTERMAN: Dr. Crouch, have you any figures that would give comparative savings of administrative overhead in these functional consolidations for services that you have indicated have some benefits to small units?

DR. CROUCH: No, we do not have them.

ASSEMBLYMAN LANTERMAN: You have no figure then to say whether or not it represents a saving administratively in overhead of "x" number of percentages?

DR. CROUCH: No sir, we are not prepared to make a statement on that particular point.

ASSEMBLYMAN LANTERMAN: Have you any - not in order to make a statement but in order to give an idea - it seems to me I remember reading a report of the Hollibaugh Committee prepared by, I guess - was it Dr. Bemis? Did you prepare that?

DR. BEMIS: Not Hollibaugh's, no.

ASSEMBLYMAN LANTERMAN: It had to do with the metropolitan area problems. It seems to me that much of the material was gained from the Haynes Foundation research. It seems to me

that I remember a figure percentage saving in metropolitan area functional consolidations in the United States and in Europe as a fixed approximate sum somewhere between 24 and 26 percent. Now am I in error on that?

DR. CROUCH: I don't recall it sir.

ASSEMBLYMAN LANTERMAN: You do not recall.

DR. CROUCH: It may be that Professor Cottrell may have made some general statement. I don't recall that figure. It seems to me that it would be very difficult to draw a figure or percentage sum to cover all the functions.

ASSEMBLYMAN LANTERMAN: It would vary?

DR. CROUCH: It would be safer to take certain ones, as against others, for tax assessment, tax collection, because the county performs the service for itself, it already has to do the same work. A clearer demonstration of cost could be shown than in the case, let us say, of library administration where you have an entirely different set of situations existing.

ASSEMBLYMAN LANTERMAN: As to administrative procedure?

DR. CROUCH: Administrative procedure and the costs involved.

ASSEMBLYMAN LANTERMAN: Well, I was wondering in your comment on Los Angeles sewer and its contract relationships with Burbank and Glendale, is there any other city connected? Did you mention that?

DR. CROUCH: In addition to Burbank and Glendale, San Fernando, Vernon, Culver City, Beverly Hills, I believe, is also in the contract system there - Santa Monica . . .

ASSEMBLYMAN LANTERMAN: Actually then, the central city becomes a contracting agency for the concentration of a service?

DR. CROUCH: That is correct.

ASSEMBLYMAN LANTERMAN: Other than the County can give it?

DR. CROUCH: Yes.

ASSEMBLYMAN LANTERMAN: It becomes a unit of service.

DR. CROUCH: Yes, we do have two major sewer systems in the Los Angeles area, the Los Angeles City one operating with the eight contracting cities, and the County Sanitation District system, I believe has a membership of about 24 cities in addition to the County.

ASSEMBLYMAN LANTERMAN: I have one more question here. You indicate that the federated plan of the County Sanitation District has many advantages in flexibility of operation and organization and benefits of saving, etc. Could that County Sanitation District's scheme, or method of operation, be applied to other services as beneficially?

DR. CROUCH: It might very well do so, perhaps particularly in those that involve (as the sanitation work does) large capital outlay for public works and where natural conditions, such as those that are peculiar to the sanitation program, necessitate the unified action.

ASSEMBLYMAN LANTERMAN: In other words, purchasing power concentrated is beneficial for the purpose of capital outlay?

DR. CROUCH: It very often is, yes.

ASSEMBLYMAN LANTERMAN: And would that be effective in, shall we say, fire, police, and health, the same as it is in the sanitation?

DR. CROUCH: I think you have somewhat different situations there. Neither of those deal with the capital costs the same way the sewer system would.

ASSEMBLYMAN LANTERMAN: Well not directly comparable but the purchase of fire equipment, of course, for small units is a major consideration.

DR. CROUCH: I think those have substantially different operating situations. I wouldn't be prepared to answer that entirely, yes or no. I would say that would have to be studied separately.

ASSEMBLYMAN LANTERMAN: Each one then, in your estimation, as a policy of functional consolidation, would have to be considered as a separate operation and not as a policy to be applied across the board?

DR. CROUCH: I do.

ASSEMBLYMAN LANTERMAN: Thank you very much.

CHAIRMAN DOYLE: Dr. Bemis, did you have a question?

DR. BEMIS: I have only one question to direct to Dr. Crouch. As a result of the studies of the Haynes Foundation and the Bureau of Governmental Research at U.C.L.A., and other studies here that go way back over a period of years, in your thinking are there particular weaknesses or desirable changes

in the State law that would tend to facilitate functional consolidation?

DR. CROUCH: I think, Dr. Bemis, perhaps you could answer this question as ably as I, having long studied the situation and having been on the first staff of the Bureau of Governmental Research, and also a staff member of the Haynes Foundation at one time. Although speaking directly to the question myself, it seems to me that State law, at the present time, is rather broad and contains most of the permissive features that are necessary for functional consolidation and that again it seems to me is the key to the problem, that there has been permission granted to carry out these cooperative arrangements through home rule. I have no particular advocacy of legislative changes to make these possible. It seems to me that the Legislature has already been pretty generous on this matter of giving permission and to mark out the general directions of functional consolidations.

DR. BEMIS: Mr. Chairman, I have only one other statement and this is not a question. In reply to Assemblyman Lanterman's query as to the possibility of a general purpose kind of sanitation district setup to handle some of these metropolitan problems, that move has been made in a rather important way in the City of Toronto, the City and the environs of Toronto in Canada, quite recently - within the past year. There a series of major services, I think eight or nine in all, have been brought within a central jurisdiction,

and a central governing unit on a federated basis. The central city, I think, turns out, is entitled to and gets about half of the representation on the governing board - twelve out of twenty-four - and I believe the twelve satellite cities around Toronto, likewise, get a representation of twelve on the governing board. It has been too soon to see how that works out but I think that is interesting as a natural projection of this kind of federated approach to metropolitan problems.

DR. CROUCH: I am glad Dr. Bemis brought that up. I might add that among the functions that are given to the new federated program are water, public works, planning, parks; but police and fire are not given to the new federated program. They are left with the individual municipalities, townships and burroughs.

ASSEMBLYMAN LANTERMAN: Well, may I ask this question then? Dr. Crouch, is that a metropolitan type system similar to our metropolitan district? Of the water district here in Los Angeles?

DR. CROUCH: Yes it would be comparable for general purposes and not just for the one function of water.

ASSEMBLYMAN LANTERMAN: It is a general purpose metropolitan district?

DR. CROUCH: That's correct.

ASSEMBLYMAN LANTERMAN: Now, as I understand the background of the Boston situation where they have a metropolitan area, they did expand into metropolitan types of consolidations

for each, separately, as a separate, distinct, service in a separate functional controlling body - a district for that purpose. Then they proceeded, as I recall, to try and consolidate all of the metropolitan services into one metropolitan service and that, as I recall the findings before the Haynes group, proved to be cumbersome and burdensome.

DR. CROUCH: Yes, I would join with that certainly. Where each function is organized on a metropolitan area basis first, you do have a cumbersome arrangement. You have a long period of time in which there is overlap and competition between units of government, and there is a long time between that and the perhaps next logical stage which Toronto is apparently taking at one step.

ASSEMBLYMAN LANTERMAN: Well now, that is a different approach then than the charter provisions of Los Angeles County which provide municipal type services to be provided by the County on a broad base with whatever unit cares to provide that service, or contracts for it.

DR. CROUCH: Yes. The Toronto situation is quite a different one. It is one that has been brought about by provincial legislation and action of the provincial government in which a board has been designed by provincial legislation and, as Dr. Bemis pointed out, the City of Toronto given, I believe, half the membership and the surrounding communities given the other half.

ASSEMBLYMAN LANTERMAN: Well, thats almost identical with the metropolitan water district here. The control lies within Los Angeles City by virtue of its investment and population, etc., and then the member satellite cities and the other districts that are now part of that structure have a proportionate representation. Now there is just one question that comes into my mind. You suggested that the Legislature had been very generous in providing all of the necessary legislative procedures wherein any such functional consolidations could be brought to fruition, and it seems to me at this last session of the Legislature I heard of a request from Los Angeles County which I will take up this afternoon, especially when Chief Alderson is here to discuss the matter, as to whether or not we could have a consolidated fire service countywide. I put that in in the nature of a Constitutional Amendment, as a charter amendment to Los Angeles County, making it permissive that any municipality by a four-fifths vote of its Council could consolidate its functional fire system with the countywide system under that proceeding. But it was another of those permissive things that I think that all aspects of this consolidational consideration should be within the structure of the law for whatever permissive procedure might be so desired. Have you any comment on that?

DR. CROUCH: Only to this extent, in line with what I said before, it seems to me that the permissive features are the meritorious ones. It does conform strongly to our traditions of home rule to allow the local governments to work out their patterns themselves.

ASSEMBLYMAN LANTERMAN: Well, then you would find such a Constitutional Amendment in order within the structure of home rule?

DR. CROUCH: It is certainly consistent with what has been practiced before this for the past 30 years.

ASSEMBLYMAN LANTERMAN: Thank you very much.

DR. CROUCH: There is one point on the Toronto system that I would like to spell out further. Organizationally it is a little different from the metropolitan water district in that the Toronto Metropolitan Board is composed of mayors, and comparable officers and not composed as the metropolitan water district of delegates appointed by the member cities especially for that job. In other words, it is a federation of existing governments.

ASSEMBLYMAN LANTERMAN: May I ask this question? I don't understand what you meant by provincial legislation? Is the province the equivalent of our State, or the County?

DR. CROUCH: It is the equivalent of our State.

ASSEMBLYMAN LANTERMAN: Do they have county-type of representation of State government at the local level similar to our county structure in the State of California?

DR. CROUCH: The most correct answer to that question, I think, would be that they have counties in the Province of Ontario. The counties there are not as strong and do not perform as many functions as the counties in California.

ASSEMBLYMAN LANTERMAN: Well, the home rule county in California is unknown then to the province and therefore they have nothing comparable to the structure we already have set up in Los Angeles County?

DR. CROUCH: The county in Ontario is primarily for judicial administration.

ASSEMBLYMAN LANTERMAN: Thank you.

CHAIRMAN DOYLE: Thank you very much, Dr. Crouch. Do we have anyone here who can't be here this afternoon who would like to get on the program this morning? We have no set ruling in which we are going to call on you gentlemen here who wish to make statements. Is the General Manager here from the California Taxpayers' Association?

Would you like to make your statement, Mr. Kennedy?

HAROLD W. KENNEDY, COUNTY COUNSEL, COUNTY OF LOS ANGELES: Thank you, Mr. Chairman. I am Hal W. Kennedy, County Counsel of the County of Los Angeles, speaking in behalf of the Board of Supervisors of the County of Los Angeles and representing also the very deep interest that is being taken in this subject by the Chief Administrative Officer, Arthur J. Will, who is represented here by members of the Board of Supervisors is not to be interpreted as a lack of personal interest on their part. They are all engaged this morning in an important zoning hearing which was continued from last week. By order of the Board, they have specifically authorized and directed that

four of the County Departments: Mr. Will, the Chief Administrative Officer; Brigadier General William Fox, the County Surveyor and County Engineer; Mr. Ray Lee, the Clerk of the Board; and myself, as County Counsel, meet with the Committee under Mr. Stanley, and with your Sub-Committee, Mr. Doyle, in pursuing the problems embraced within the framework of the Resolution adopted by the Legislature, by the Assembly, under which you are now operating.

I am very pleased, of course, with the very fine statement which Dr. Winston Crouch gave in connection with functional consolidation. I had hoped that in addition to stating specifically that he was not representing the University of California at Los Angeles, because the County of Los Angeles is proud to have him in its official family as the President of the Civil Service Commission, I had hoped that he would add also that he was not in any sense speaking as a representative of the County of Los Angeles. Of course the record speaks for itself and his statement was complimentary to the County's portion of working out this problem.

With reference to my appearance this morning on behalf of the County, I want to emphasize just one point and that is, we want to pledge the cooperation of the County of Los Angeles and its various departments to the studies being undertaken by this Interim Committee. We have studiously avoided making a specific recommendation this morning because we did not wish to be misunderstood. The official position of the County in connection with functional consolidation, is this: If there is a service

which is desired by any of the cities in the County which the County of Los Angeles can render under existing law then it is the policy of the County that it wishes, pursuant to the specific request of the city, to enter into such a contract and to perform that service. We look upon our function as a subdivision of the State rather literally in the sense that the Constitution in the creation of county government has set up as legal entities the counties of the State for the purpose of channeling to people the functions of State government. We do not look upon the County as a competing unit of government to the 45 cities in the County. We rather look upon County government as a service agency to carry out those functions which, under the Constitution and State law, are properly the functions of County government, such as the administration of justice, the prosecution of crime, carrying out the several hundred welfare laws, taking care of the indigent poor and the dependents and the sick, and all of the other categories that have been given to County government. If we, at the session this morning, made an effort to sell anything to this Committee, or to the cities, it might be misinterpreted that we were doing that in the hope of preventing or blocking any other plans which cities might have, or the unincorporated areas might have. I might add, parenthetically, (because it is a fact) the County of Los Angeles has been both sincere and consistent in the position it has taken with reference to the whole movement of incorporations and annexations. It has said, officially through its Supervisors, that

it is a matter of self-determination for the people affected and the people who must pay the bill. In this respect, as far as functional consolidation is of concern to the organization of the departments of County government, should the cities of Los Angeles County have need for these services, and at the voluntary request of the city, the County stands ready by contract to enter into it. Those of us from county government were pleased to hear Dr. Crouch emphasize that his study indicates that at least the County has not padded the cost to the cities. Cost has been fair to the cities and he even indicated that possibly the terms had been generous to the point that in an overall or across-the-board study that the County might even be entitled to a credit because it had not sought to make a profit out of these services. I am mindful also (I generally do not speak so modestly when speaking in behalf of the County, Mr. Doyle, and members of the Committee) but I am mindful also of the far-reaching effect upon this specific question, together with the questions which you will pursue tomorrow on annexation and incorporations, with the matter that we have under joint consideration, that is, both the County and the representatives of the cities through Ralph Hilton, in his capacity not as Mayor of the City of Compton but in his capacity as Chairman of the Committee for the Los Angeles County Division of the League of Cities, in the implementation of the County Service Area Law which received the approval of the Stanley Committee and was approved by the Senate and is now a part of the statutory law of

California. We look upon that problem, realizing all of its implications, as a further legal vehicle for doing what is best to do from the standpoint of giving municipal type services to people in the incorporated areas; there again, largely at their request and not forced upon them, and also at the same time a vehicle that permits in a realistic way carrying out the pledge which not only Los Angeles County but the County Supervisors' Association has given continuously to the cities and to the Legislature, that if there are instances of inequities or free rides at the expense of the general fund, contributed to by cities, that it wishes to use the County Service Area Law in adjusting those inequities.

Now as one who has spent approximately 30 years in county government and who has been privileged to be in the legal department of the County during all of the vast period of growth, I appreciate of course, that from the standpoint of political science sooner or later we will reach a place in this great metropolitan area where courageous and intelligent leadership must face up to the impact of the entire problem. In other words, sooner or later we and you - not specifically your Subcommittee, or Mr. Stanley's Committee, but the Legislature - will reach a place where a decisive decision must be made as to what the ultimate or overall plan for this great governmental area should be, having in mind several fundamental principles. First, under the principle that California has for more than 100 years been the leading exponent of home rule, as far as

county government is concerned, the County of Los Angeles is pledged to local home rule. Now the State of California is pledged to local home rule both at the level of the County and the cities, and in this connection what I say, although Mr. William MacDougall is present here as General Counsel and General Manager of the County Supervisors' Association, I am sure that he would join with me in this portion of my statement. We want to save the affirmative, beneficial things that come out of home rule and at the same time avoid as much costly duplication as possible. Now to be more specific, under the home rule principle of county and city government, under the so-called town hall principle of early American government, people are willing maybe to pay more, even to carry the load of some duplication, in order that they may continue, in the American tradition, to have the free and unrestricted right to have some local say or participation in their government. And so it is not entirely a matter of dollars and cents, or cost per se, or budget. In other words, the people in Compton or Monterey Park may be willing to pay something additional for the right to go down to the city hall and raise hell with the city council and the city officials and to have, rather directly, a voice in their government. I think that there is facing the officials of county government and city governments in this county (and the same thing applies also in some other counties of the State) - we are going to have within the near future an opportunity to test again our stature, or our objectivity, or

our bigness in approaching the problem, in working out on a voluntary, cooperative basis, other functional consolidations.

I refer specifically to the renewed interest in Civil Defense. The President of the United States has called the mayors of all of the cities of more than 75,000 population to Washington to meet on December 14th, and there will be people from this County who will be going. There is being run currently by the Hearst Newspapers a series of articles that point up the woeful inadequacy of Civil Defense in certain of the well known target areas. Through our experience in World War II, when, if I may add a personal word, I served as Executive Director of the Los Angeles County Civil Defense Organization and as a member of Governor Olson's State Defense Council, the cities in Los Angeles County and the County worked out a practical working arrangement to give protection to people by making available all of the personnel and all of the equipment of county government and city government. Under the State Disaster Act, passed by the Legislature, that field has now been expanded and upon the declaration of the extreme emergency by the Governor of California, the line of command will flow down from the Governor, under the State Disaster Act, and the plan that has been agreed to by counties and cities and approved by the State Disaster Council will be implemented. And so, I think immediately in front of us is another opportunity to get a further experience within the framework of Dr. Crouch's statement on functional consolidation. There is a second one that is

pointed up with some emphasis by the bold and far reaching report of the technical committee on air pollution control which was submitted to Governor Knight's conference in the State Building last Saturday morning. One of the seven precise recommendations relates to the need for the abolition of all backyard incineration as one of the major steps to be taken in the war on smog. And so, there again in that field, assuming that that recommendation were to be accepted by county government, by the Air Pollution Control District, and agreed to by the cities, there again would be an opportunity to carry out a functional consolidation, entirely within the framework of the existing Constitutional section, Charter of the County of Los Angeles, and the Joint Powers Act, as adopted by the Legislature. So, it is very timely that this Committee is reviewing this subject in the calm and objective way that you have approached it, Mr. Doyle, and members of the Committee, and that Dr. Crouch has so ably presented it. I hope that it will be possible for copies of his talk to be reduced to writing and made available to those who are charged, because of their responsibility, as county or city officials in this problem.

My final statement is this. The County of Los Angeles pledges to you, Mr. Stanley, the Chairman of the Interim Committee, to all of its members and to the Legislature, in keeping with the traditional policy of the County, our continued cooperation. We do have, and at your request we could make available to you, a sizeable amount of data as to specific items, cost, terms of

contract, and experience, in these various categories that Dr. Crouch has outlined with great clarity this morning.

Thank you very much for the opportunity of being here and we will be here tomorrow to pursue further, and specifically, the subjects on your agenda tomorrow.

CHAIRMAN DOYLE: All right, Mr. Kennedy. (I would like to introduce Assemblyman A.I. Stewart, a member of this Sub-Committee.) Mr. Stewart, would you come forward and join us.

ASSEMBLYMAN STEWART: I am sorry I was late but I had an emergency appointment in Pasadena and I couldn't get here any earlier.

CHAIRMAN DOYLE: Mr. Kennedy, are there any members of your staff who wish to make a statement?

MR. KENNEDY: Well, Mr. William MacDougall is here for the County Supervisors' Association. He may have a statement to make. Mr. John Leach is here representing Arthur J. Will. And were he not engaged in a zoning hearing there also would be present Assistant County Counsel George Wakefield of my staff who will work closely with you and your Committee as you pursue this important problem.

CHAIRMAN DOYLE: Mr. MacDougall, would you like to . ?

WILLIAM MacDOUGALL, MANAGER OF THE COUNTY SUPERVISORS' ASSOCIATION: Mr. Chairman, my name is William MacDougall, Manager of the County Supervisors' Association. I of course want to join in what Hal Kennedy has placed into the record.

We have by nature of our operations in the County Supervisors' Association, I guess, more of a primary interest in the smaller counties of California with respect to helping them, than we have in the larger counties which so ably help themselves, particularly in internal problems of this kind. For that reason we have a very deep interest in the work of this Sub-Committee. We feel that when the fireworks are over, when all the rockets have been shot off and all the flashy operators have placed their schemes before the people, and when all the not-so-practical theorists have described various forms of new local governments and super-governments and autonomous counties, and federations of cities, and all that matter of thing has gone on, and it will go on, and when that is all over that the words of Dr. Crouch here this morning will become even more apparent than ever as the true gospel. Progress in the field of local government growth in California is going to be along the lines which have been outlined by Dr. Crouch along the lines of the work of this Sub-Committee. We think this is the most important interim committee, or sub-committee, of any in the entire Legislature this year, with respect to the eventual future of county government. That may sound amazing and a little bit strange in view of the admitted fact, and I think its true, that statutory changes in this field are probably not needed. It is true that this Committee will undoubtedly discover some procedural easings, some procedural changes which should be undertaken by the Legislature, but I think it is basically true

too, as both Mr. Kennedy and Dr. Crouch have said, that the basic law now is good. The Legislature has given us the tools with which to work. The future then is going to be achieved more easily. It is inevitable. It is going to be achieved more easily if this Committee can point up the progress of the present and the past into a suggested program which counties and cities can undertake voluntarily. There is nothing which has been said here this morning which is anything but in full agreement with what we hope to be the policy of the County Supervisors' Association and I think that will probably be the same situation with respect to the League of California Cities.

I think Mr. Kennedy's point can be said again, that counties and cities themselves, or their organizations, are hesitant to stand before you or before the public and urge these things. Experts in Dr. Crouch's position are in a position to do it and I might suggest, and I want to, that this Sub-Committee, and the main Committee, are both in a position to do that. If county governments urge this thing they are going to be misunderstood by the cities because of the fear that someone will be suggesting abdication of city powers, or city home rule, or any of its features. Of course we do not suggest that. If cities suggest this, counties are going to misunderstand them because there will be many who feel that the decreased cost of such efficiency as is obtained in functional consolidation will be the impelling motive and that there will merely be an effort to transfer to someone else's tax base from your own tax base the cost of those

services which are not attractive, those services which are expensive, and those services which are troublesome. I think the progress should be made gradually but definitely stepped up over the more or less drifting that has occurred over the 20 or 30 years. That has not been true in Los Angeles County, as you have seen, but with respect to the rest of California it has. The climate there for the growth of the pattern in the other counties is good. It could not be better. So I just want to say that we too want to pledge our help to this Committee. We are setting for the first week in February a meeting of our County and City Affairs Committee and I imagine and I hope that the sole item of discussion for that Committee will be the work of your Sub-Committee here on functional consolidation. We deem it that important.

CHAIRMAN DOYLE: Thank you, Mr. MacDougall.

ASSEMBLYMAN LANTERMAN: May I ask a question?

CHAIRMAN DOYLE: Yes.

ASSEMBLYMAN LANTERMAN: Mr. MacDougall, would you agree (you can answer this as you please) would you agree with Dr. Crouch that permissive legislation, as such, that will provide greater flexibility on the basis of home rule, is in keeping with the tradition of home rule in California? That is, permissive legislation?

MR. MacDOUGALL: When such permissive legislation has been turned down there can be only one reason and that is that it has been misunderstood.

ASSEMBLYMAN STANLEY: I would like to ask Mr. MacDougall a question.

CHAIRMAN DOYLE: Mr. Stanley.

ASSEMBLYMAN STANLEY: Bill, I concur with you that functional consolidation should be on a voluntary basis, etc. However, don't you think this Committee in its report to the Legislature should have, from either your joint committee with the cities or some body, a definite setup of what the overlapping functions are now and what they should be aware of and could consider, whether on a voluntary basis, or otherwise? We are not exactly getting that this morning.

MR. MacDOUGALL: I think you are right. As I understood this, Mr. Stanley and Mr. Doyle, this hearing is an exploratory discussion, is that right, into the field into which the Sub-Committee might go? I neglected to make one request of the Committee, although it may be inherent in the few remarks I've made, and that is that it do sponsor or do conduct research into the very thing that you just said, and we will go into it too. If we can achieve a joint exploratory approach with the League of Cities, I think that will be the absolute optimum operation. In any event, your Committee is in a familiar role as the synthesizing agent of the two units of local government involved.

MR. KENNEDY: Mr. Doyle, that is, because Mr. Stanley did inquire or indicate that he was possibly disappointed that we had not been more specific, I would like to make this further

clarifying statement. I agree with Mr. Stanley that from the basis of our experience, that is, the leaders of county and city government are in the best position to be specifically helpful to this Committee and, therefore, as far as the County of Los Angeles is concerned, and all of its departments, we are willing to face up to the problem at your request in the same manner that you came to us when you made your study in the five counties as background material for your recommendations on the County Service Area Law. Fortunately, Dr. Crouch is not only an academic political scientist, but he is a practical political scientist and he is working closely with actual facts in local government. He has built his courses and his lectures around specific examples. I feel that we would be running away from the problem if we did not follow through with you in pointing out what the experience has been in the past in functional consolidation, but we did not want this morning to put ourselves in the uncertain, and possibly misunderstood position from the standpoint of the representatives of the League of Cities, that we were coming here to make a laudatory statement that we had something to sell to them. We feel, as far as the unincorporated territory is concerned, that we have a responsibility to protect the people in the unincorporated territory as long as the existing law is that supervisors are responsible for local government in the unincorporated territory. But just as soon as the people in the proposed City of Lakewood, or Downey, or Bellflower, have reached the place where they want to incorporate into a city and may or may not

wish to come to the County and say, "To avoid setting up a duplicating department we would like under the joint powers act to enter into a contract, will you go forward and do it?" The answer is yes. The County government will do it. I think that at the outset it was well to set it up on the general exploratory session and then as you get down to the specifics you will find that we will, in a practical and realistic way, follow through in the manner in which we have tried always to operate.

ASSEMBLYMAN STANLEY: Thank you.

ASSEMBLYMAN LANTERMAN: Mr. Chairman, may I ask Mr. Stanley a question?

CHAIRMAN DOYLE: Yes.

ASSEMBLYMAN LANTERMAN: Mr. Stanley, as I recall, in relation to your comment, in setting this meeting up in San Francisco the morning that you attended another hearing, or panel, it was more or less felt by the group that the proposal for this meeting today was in the nature strictly of finding an area which we wanted to study and then to call specific hearings at a later date on specific problems, and then, therefore, make recommendations on the basis of those hearings. Therefore, I would say that we are following the schedule that I had anticipated we were going to follow today, even though we may refer to an individual item, perhaps, this afternoon, but not in the nature of a final hearing or a recommendation.

CHAIRMAN DOYLE: Thank you. Now we have with us a former Assemblyman, present City Councilman of the City of Los Angeles, Councilman Gordon Hahn. Mr. Hahn, would you have anything to add to this meeting?

COUNCILMAN GORDON HAHN: No, I am going to be here tomorrow, I think, and speak in the morning. The Council has excused me so I will be here and will speak tomorrow morning. I'm just listening now.

CHAIRMAN DOYLE: Thank you very much. Now we have about fifteen minutes. Mr. Updegraff, did you want to come on this morning?

MR. WINSTON UPDEGRAFF, LEAGUE OF CALIFORNIA CITIES, LOS ANGELES OFFICE: I am making no presentation. It is coming individually from the cities here.

CHAIRMAN DOYLE: I see. All right, now, do we have a city that wishes to go on? Would you like to come on sir?

MR. WALTER THIEL, ASSISTANT TO THE MAYOR, CITY OF LOS ANGELES: No, but I think it should be pointed out that when the agenda was received by the various cities, we did get together in order to coordinate the various statements to be made, without too much repetition. We did have a meeting at which Councilman Hilton of Burbank was elected as coordinator for the cities. I am here today, along with Councilman Hahn, representing the City of Los Angeles and Mayor Norris Poulson. While I am prepared to make a statement later, I believe, Mr. Doyle, at this time it would be well to point out that when the agenda was made available to the

cities, the representatives of the various cities listed on the agenda did get together and hold a meeting for the purpose of coordinating the statements to be made by the various cities, in order to eliminate duplication. And we did decide informally that Councilman Ralph Hilton would act as the coordinator for the cities and it seems logical, if your Committee please, that Councilman Hilton be permitted to make a general statement representing all of the cities and then the various city representatives can follow and make the statements for the individual cities.

CHAIRMAN DOYLE: Fine, Mr. Thiel. Is Mr. Hilton with us this morning?

RALPH H. HILTON, CITY COUNCILMAN, CITY OF BURBANK:

I am Councilman Hilton from the City of Burbank and Vice-President of the Los Angeles Division of the League of California Cities. I have a touch of laryngitis and will have to apologize for my voice.

I was asked to act as coordinator for the cities' position in this particular hearing today. Because of the pressure of time and all, I would like to defer our presentation until this afternoon because, frankly, we would like to talk it over at lunchtime. I haven't had an opportunity to talk with the other gentlemen since we met the other evening and in speaking of coordination of presentation, as Walter Thiel has mentioned here, at this time I haven't the slightest idea what the final thinking is of these other gentlemen. If we might wait until

this afternoon, we would appreciate it very much and I will be fully prepared.

CHAIRMAN DOYLE: Very well.

MR. HILTON: Thank you.

CHAIRMAN DOYLE: Yes, Dr. Bemis?

DR. GEORGE BEMIS: I wonder if you would like to consider the possibility of hearing from Mr. Heggland this morning. Mr. Heggland's presentation will take about a half hour which will take us to about a quarter after twelve, if that is your wish.

CHAIRMAN DOYLE: Fine. All right, Mr. Heggland.

MR. T. M. HEGGLAND, CHIEF ADMINISTRATIVE OFFICER,
COUNTY OF SAN DIEGO: My name is T.M. Heggland. I am the Chief Administrative Officer of the County of San Diego. I come here not to advocate anything but simply to recite a little history. We have recently completed a functional consolidation in the County of San Diego in that we have accomplished a completely consolidated city-county health department. I think that despite the difficulties and the complexities which we encountered, we probably had a situation which lent itself more readily to consolidation than will typically be found. To start with, we really had only two health departments in the entire county anyway. We had one serving the seven cities under contractual arrangements with the County, and of course, serving the unincorporated area. We also had a City of San Diego Health Department, but further than that we had the same health officer

heading up the two distinct departments. Dr. Eskew, the current and most recent head, was the health officer for both the City of San Diego and the County Health Department. We also had, of recent years, the same assistant city health officer for the two departments and the health officer was an aggressive and energetic man and certainly took a lead in attempting to bring about a complete consolidation. We had contractual arrangements going both ways between the City of San Diego and the County of San Diego. The County, for example, contracted with the City of San Diego Health Department for the use of its laboratories, and the City on the other hand, entered into contractual arrangements with the County for certain assistance through the health department. We also had, as a county department, contracts with the other seven cities but we had, despite the extent of the consolidation that we already had there, very troublesome administrative problems that resulted from the fact that we had a partial consolidation which certainly was a motivating force insofar as the city administration, the county administration, and certainly the health administration, was concerned. To top it all, however, I think that the one real motivating force, the one thing that made it possible to effect a complete consolidation, was the existence of excellent relations between the City and the County administrations, and a desire on the part of the City to effect a consolidation.

Now I propose to outline very briefly the advantages and disadvantages of the health department consolidation, and then if

there is time, or if you are interested at all, to discuss the chronology of events which led to its accomplishment and some of the problems we encountered and the ways in which we met them. Among the advantages, the one that seems to stand out, so far as the public is concerned, is the matter of tax equity. This was especially important in San Diego County, I think, where about 60 percent of the population and about 61 percent of the tax base are found in the City of San Diego. Based on the 1951-52 fiscal data, the consolidation was supposed to have resulted in a cut in the City tax rate of about ten cents and an increase in the County tax rate of about five cents. That, of course, with 60 percent of the population being in the City of San Diego, was a feature which made further consolidation attractive to the City taxpayers. Another advantage, as far as the County administration is concerned, is the fact that the consolidation certainly reduced the fringe area service issue. The City resident was paying for something from which he received no benefit and the County was very ready, if the City residents desired a change, to see that the situation was corrected. Theoretically, the City could have corrected it at any time because they could have given up their health department at any time and turned it over to the County, and that fact, of course, was regularly made known to the City when we were discussing fringe area problems. But other advantages that result from it are the possibility of an area-wide solution to health problems. It gives the consolidated department the opportunity

to utilize its personnel without regard to artificial, political boundaries and we had a situation despite, as I say the semi-consolidation that we had before with a single department head, a single assistant department head, and a few single division chiefs, with city employees working right alongside of county employees - both in the same offices - but the city employees not being permitted to go outside of the city boundaries with problems that they could handle being right alongside of their boundary lines. Also, aside from the enforcement of special regulatory ordinances, the health departments in the six basic health services are more efficiently handled by one group of employees. We don't have to have two separate divisions handling the same problems. These six basic health services, which are furnished through the general County tax rate are, of course, vital statistics, maternal and child health, communicable disease control, the public health laboratory service, health education and environmental sanitation, to a degree, although it is common for counties and cities to provide by ordinance for a higher level of regulation than that required by State law. Another advantage is that it provides for a uniformity of employment conditions and this is a particular advantage insofar as administration is concerned. Certainly it has solved a lot of our personnel problems in that we now have the employees operating under a uniform set of compensation, retirement, Civil Service rights and benefits, and similar privileges and rights and conditions, and it has smoothed out a number of other problems related

to employment. For example, the city had a different private mileage allowance than the County had and now they are all working on the same basis. Again, as far as administration is concerned, there has been a great simplification of the administrative processes insofar as the health officer is concerned, and his department, in that he deals now only with one purchasing agent and with one auditor, with one Civil Service Department, and with one group of service agencies that may be aiding him. He now has to make only one budget instead of the two, and his enforcement is uniform throughout the County. A sixth advantage from the County's standpoint is the fact that it forced the County to revise its contracts with what we call the other cities, that is, the cities other than San Diego. We had had contractual arrangements with the other cities which has grown up somewhat like Topsy and the reimbursement provisions bore absolutely no relation to the cost of the services which were being received by the cities. There is now a completely uniform arrangement among all of the cities.

The disadvantages to the consolidation, if they can be called disadvantages from everybody's standpoint - one of course that stands out from the County's standpoint is that it automatically increased the County's tax burden - that is, the County tax rate was bound to go up as a result of the consolidation. Another disadvantage which was brought up from time to

time when consolidation was being discussed was a lack of direct control by the city council over the health department activities. I think that the feeling is not very strong with regard to that disadvantage as a result of the way the organization of a new board of health was worked out. So far as monetary savings are concerned, consolidation was not projected on the basis of monetary savings. As a matter of fact, I think it is apparent from the way we had over the years achieved a semi-consolidation that we had just about removed all of the duplicating overhead that you might expect and consequently we don't claim that there were any monetary savings. On the other hand, there was no increase either. So far as chronology is concerned, they started talking consolidation down in San Diego County back in June of 1948 before I went to San Diego County and during a period, I guess, while I was employed by Los Angeles County and was doing a little looking around at possible health consolidation here. The board of health of the county department at that time first started talking about consolidation and issued a report to the Board of Supervisors favoring a program of consolidation and suggesting that a committee be appointed to devise a plan. Not to bore you with a lot of detailed review of what went on, it took about three years to finally get a plan worked out which was acceptable to most everyone concerned. There were periods in there where they seemed to be close to coming up with a plan but I think there

were two standout matters which tended to slow up progress. One was the concern on the county's side of what was going to happen to the county tax rate when we already had what everybody considered was far too high a tax rate, and the other was this matter of a loss of control or direct contact or tie with the health board. But, finally a plan was worked out which took care of the tremendous amount of detailed problems which were created by the fact that it was the intent to try to arrange for the transfer of the city personnel to the county without jeopardizing their rights, or their seniority, or such rights and privileges as they had gained over the period of years. An arrangement was worked out which met the approval of the City of San Diego insofar as the new health board was concerned in that it was proposed to set up a seven man board, one member of which was the representative of the City Council of the City of San Diego, one member to be a representative of the Board of Supervisors of San Diego, one member to be the representative of the other seven cities, or the other incorporated cities in the County (to be chosen by them). That's three of them. Two members were to be named by the Board of Supervisors from a list of five nominees named by the County Medical Society (where are we now, we're down to five I guess) and then one member to be named by the Board of Supervisors representing the incorporated cities in general, and one member to be named by the Board of Supervisors representing the unincorporated areas in general but not

coming from a list of nominees. The County board formerly had consisted of nine members, five of whom were the members of the Board of Supervisors and you can understand that there was some reluctance on the part of the cities to retain that composition. The City of San Diego arranged for a charter amendment to be placed on the November 1952 ballot which would permit the City to turn over its health program to the County and to enter into contractual arrangements for the providing of monies to make up for the retirement rights of their employees and the transfer of employees, with all their rights, to the County. The County, on its part, arranged for a couple of charter amendments, one of which would permit the County to take over any activities from any cities or districts and to enter into contractual arrangements for the retention of credit by these employees for past service, etc. It is quite a broad provision and I think is of interest to your Committee by reason of the fact that the people of the County of San Diego have determined on their own part, through a charter amendment, that the County may take over the services of any of these special districts or municipalities, if those agencies so desire and may take and put the staff on the County's payroll. Perhaps you would be interested in hearing the provision. It is not very long. It says, "The Board of Supervisors may require that any of the officers, boards, departments, bureaus, and commissions of the County, perform any or all of the duties and functions of similar and corres-

ponding offices of any municipal corporation, district, or political subdivision in the County when such municipal corporation, district, or political subdivision, in conformity with the laws of the State of California, so request such performance. The terms and conditions upon which such duties or functions are to be performed by the County, including the consideration to be paid to the County, shall be established by agreement between the County and the municipal corporation, district, or political subdivision. Such agreement may provide for the employment by the County of any of the personnel of the municipal corporation, district, or political subdivision performing such duties or functions, and notwithstanding any other provisions of this charter, such agreement may provide for the terms and conditions upon which such personnel are to be employed by the County, including pension or retirement benefits, Civil Service status, seniority credits, vacation credits, sick leave credits, and similar employee benefits to be granted such personnel."

All the charter amendments, incidentally, passed by a very heavy majority at the November election and arrangements were made to actually complete the consolidation as of February 1, 1953. In anticipation of that taking place, incidentally, we had made provision in the 1952-53 budget for the County taking on the cost of the operation at about that time. So, we were financially able to handle it.

There were some very complex contractual arrange-

ments that had to be entered into with the City of San Diego and with the other cities, but the City of San Diego was particularly complex and the City had a number of steps it had to go through, particularly with respect to engaging actuaries and determining the amount of retirement monies, etc., that had to be turned over to the County. We worked out arrangements with the City to pay the employees for all of their accumulated vacation up to January 1st and the County took over from that point on with some minor exceptions. There is a considerable amount of detail which I don't think your Committee would be particularly interested in. So far as results are concerned, we have been operating since February 1st. It has been operating fairly smoothly. There are these instances where some level of regulation higher than is called for under the six basic services, is to be provided. It has to be provided through these contracts which we have with the cities and it generally calls for the adoption, by all of the cities, with ordinances that are comparable to the County's ordinance because of course the Board of Supervisors still can adopt ordinances that are effective only in the unincorporated area. So we then have developed through the contracts, and through our procedures, a method of advising the cities of any ordinances that the Board of Supervisors may be contemplating and enacting, and asking the cities to adopt similar ordinances if they want that type of enforcement. I would say that perhaps the one troublesome development which has occurred as a

result of the consolidation results from the enforcement of certain higher levels of regulation where fees are required to be paid. For example, the City of San Diego used to inspect apartments, hotels, barber shops, restaurants, etc., at actually no charge for the health permit involved but included it in the business license which they exacted from them. The County, on the other hand, cannot license for revenue and had the permit fees set up for the unincorporated areas, and part of the arrangements made in this consolidation provided that the County was to receive for such services the same amount as it would receive had it been doing it in the unincorporated areas. The City did not reduce the business license fees and so the result has been that restaurants and hotels, and apartments, etc., are paying a second fee to the County for this enforcement. Those fees are not of themselves individually large but in total they account for a pretty good percentage of the revenue of the health department. It had been estimated as far back as 1948 that to consolidate the department the County would have an increased cost of around \$220,000 and it is interesting that the 1953-54 requirements for the health department net about \$230,000 more than they would have been had we not consolidated.

I think that concludes my statement unless you gentlemen have some questions that you would like to ask.

CHAIRMAN DOYLE: Fine, Mr. Heggland. Does anyone have any questions?

ASSEMBLYMAN LANTERMAN: What was that last comparison - 220 - 230?

MR. HEGGLAND: Well, I say back in 1948 it had been estimated that for the County to take over the entire operation, the County's costs would increase about \$220,000, and the 1953-54 budget which was set up after the consolidation actually resulted in net increased costs of around \$230,000.

ASSEMBLYMAN LANTERMAN: How is that met?

MR. HEGGLAND: Out of the general tax rate. The tax rate went up you see. We had figured it was going to go up about five cents and actually \$230,000 net is about four cents increase on the County tax rate.

ASSEMBLYMAN LANTERMAN: How is that arrangement - what arrangement did you make with the State in their subvention to the City? Is that transferred in a body to the County?

MR. HEGGLAND: Yes, the County receives the entire amount of the special public health fund.

ASSEMBLYMAN LANTERMAN: That's on a population basis, is it not?

MR. HEGGLAND: Yes.

ASSEMBLYMAN LANTERMAN: Now this increased burden then amounts to what on your tax rate?

MR. HEGGLAND: It amounts to just about four cents on the County tax rate and it resulted in a decrease of about

ten cents on the City tax rate, although I can't say exactly what it amounted to there. It is one of those things that you can't tag definitely because both the City and the County had tremendous decreases in their tax rates this year due to a number of things, not the least of which certainly was a re-appraisal program.

ASSEMBLYMAN LANTERMAN: Well then, that increase of four cents is partially borne by the people in the incorporated territory.

MR. HEGGLAND: Yes.

ASSEMBLYMAN LANTERMAN: BEcause it is a general fund appropriation?

MR. HEGGLAND: Thats right - but what had been the situation before and one of the things that sold the consolidation to the voters was the fact that the City taxpayers had been paying for 100 percent of the cost of the city health department and about 60 percent of the cost of the county health department.

ASSEMBLYMAN LANTERMAN: That is the override then in that where you do have separate health departments in cities, the cost to the city is bound to be higher because of the contribution to the county general fund also?

MR. HEGGLAND: Thats right. It is one of the very few types of services where the city taxpayer has no opportunity to avoid paying for a service that he is not getting.

ASSEMBLYMAN LANTERMAN: Well, may I ask this question then? Does the increased fee, or the fee rather, now assessed to those units requiring a service in the city which was formerly included in the business license fee but is now a separate fee to the County - what amount of revenue does that amount to, do you recall?

MR. HEGGLAND: Only roughly... I think in total it amounts to around \$65,000 to \$70,000.

ASSEMBLYMAN LANTERMAN: And what is the total budget of the health department as now consolidated?

MR. HEGGLAND: It is just a little over a million dollars. It is \$1,211,371.

ASSEMBLYMAN LANTERMAN: How much of that is from State subvention?

MR. HEGGLAND: \$152,000.

ASSEMBLYMAN LANTERMAN: Thank you very much.

CHAIRMAN DOYLE: Thank you, Mr. Heggland. Gentlemen, I think we will adjourn until two o'clock and we'll meet back here promptly at that time so that we can get on with the other presentations.

LUNCH

CHAIRMAN DOYLE: Gentlemen, the hour of two having arrived, we will resume our meeting. I think we will start out with testimony from Mr. Ralph Hilton, City Councilman of Burbank who is representing the cities in the area.

MR. HILTON: Mr. Doyle, this is a little embarrassing. You asked me if I was ready and the speaker for the cities that we have actually scheduled to appear first is Walter Thiel and I don't see him in the room. Do you know where he went Mr. Updegraff?

MR. UPDEGRAFF: I think he will be with us in a moment.

MR. HILTON: I'll proceed then momentarily.

ASSEMBLYMAN LANTERMAN: Tell us about the sales tax, will you?

MR. HILTON: Well, I'm afraid that's a facetious remark but I think for our discussion today we will stay off the subject of sales tax and smog.

We have had some preliminary discussions on our thinking in this matter before us and at this stage I guess we are well enough organized to go ahead and make our presentation today. I will speak briefly now, more in the form of an introduction to the other member of our group who will address the Committee, and then return after they have completed their presentations and make a formal presentation of my own. I would like to point out that we regard this subject as a very serious matter facing the cities and the county as well. It is a matter that we are particularly keen about staying on top of. I want to make it clear and point it out so that there will be no misunderstanding at any time (as this subject develops through the months to come) that the

cities want to work together with the County. We don't want any separation of a serious nature in our thinking. We expect to have differences of opinion but we don't want serious separations to occur in our thinking. We want to be right together, and we will offer all of the facilities at our hand that might be usable in solving any of the problems that this Committee will face. But we want to be right together with no one on top and no one on the bottom.

So, with that gentlemen, I believe that Walter Thiel, the Assistant in the Mayor's Office in the City of Los Angeles, will make his presentation at this time on behalf of the City of Los Angeles and the League of California Cities. Walter Thiel.

WALTER THIEL, ASSISTANT TO THE MAYOR, CITY OF LOS ANGELES: Mr. Doyle and members of the Assembly. As I indicated this morning, Councilman Gordon Hahn, Chairman of our State, County and Federal Affairs Committee of the City Council, is taking quite an interest in the work of your Committee and it is well that he should because he is a former Vice-Chairman of the Committee, and he does have a continuing interest in the work of the Committee. So, I am appearing here today in my capacity as Assistant to the Mayor, Norris Poulson, who will appear before your Committee tomorrow morning and make an opening statement on the subject of annexation and related problems. But in appearing here this afternoon on the subject of functional consolidation, we have

prepared, and we want to present to the Committee, certain pertinent information which relates to the City of Los Angeles. In doing so we have tried to, first of all, make a determination as to just what the circumstances are at the present time with reference to the performance of basic municipal functions by other agencies in this local area here, and in attempting an analysis of functions which are now being rendered by other agencies in the local area for, in this case the City of Los Angeles, and to help all of us and the Committee to make a determination as to just what the circumstances are at the present time with reference to functional performance and functional consolidation. We have classified into five groups functions which are now being rendered for the City by other agencies, and I will be glad to file this with the Committee after I have made my statement on it. Now, first are the basic agencies in which the governing board is elected by the people. The governing board is elected by the people and these, of course, are our City, our County, and our board of education. That is the base we start from insofar as functions are concerned.

Next we have the classification in which members of the governing board are appointed by the heads of the political subdivision which the board serves, with confirmation by the legislative body. To get that straight, its a board such as is represented at the head of our Metropolitan Water District. There you have a board in which the representation of the area

is in the District. Appointment to the board is made by the head of the political subdivision with the confirmation of a legislative body. In our case it is appointment by the Mayor, with the confirmation of the Council. I have given you the illustration there which is the Metropolitan Water District that falls in that classification.

Then we have the governing board where the members hold office on an exofficio basis by reason of the fact that the individual holds some other office. This is the type then in which the member of the governing board holds office exofficio by reason of another office held and in that classification we have, first, the County Sanitation Districts. And there are now in this County 18 districts, each with a different board of directors. Four of these districts actually include portions of the City of Los Angeles, and under provision of law, the head of the legislative body, in our case the President of our City Council, is a member of these four boards, of which portions are in a sanitation district. Also, in that particular classification and performing a function, we find our Memorial Coliseum Commission which is composed of representatives from the City, representatives from the County, representatives from the State, but always holding membership on the Commission by reason of the fact that they hold some other office in the jurisdiction that they represent.

Then there is a fourth type, and to all of these, functions have been assigned which basically, originally, were

a municipal function. In the fourth type, the members of the governing board are the County Board of Supervisors, and in that classification we have the County Flood Control District and we have also the more recently created Air Pollution Control District, a case where membership on the Board of Supervisors automatically makes that person a member of both the County Flood Control District Board and the Air Pollution Control District Board - no direct representation by the cities insofar as either appointing or designating on an ex-officio basis representation on the board.

This morning Mr. Heggland in telling us about the consolidation which has been worked out in the health function (and I shall digress a moment here to make an illustration) -- in telling us about the consolidation of the health function in San Diego he pointed out that originally the County Board of Supervisors was also the Health Board, but in making that consolidation they found it advisable to have a Health Board which would be independent from the County Board of Supervisors and would not be the County Board of Supervisors. They found it advisable, in San Diego at least, to make that distinction, although here we still have, as I indicated a moment ago, these two district boards which are made up exclusively of the County Board of Supervisors.

And then we have here also a fifth group and there is only one in the group and it is very recent, and in this case the members of the governing board are appointed by the

Governor. In that classification we find the recently created, and recently appointed, Los Angeles Metropolitan Transit Authority, created by State law with provision in the law for the appointment of the Authority by the Governor with jurisdiction entirely on a localized basis. In enumerating these five types of what might be called methods by which some functional consolidation has been attained, someone might say some functional consolidation has been diffused but nevertheless certainly by this pattern you can't say that our functional consolidation has followed any one particular type. We have five types that have been used for that purpose.

I think it was brought out very effectively this morning by Dr. Crouch that in the study of functional consolidation you have to do it almost entirely function by function. To do it collectively is not productive of good results and I think it is for this reason that we have found that both the Bureau of Governmental Research at U.C.L.A. and also the Haynes Foundation, have in each case made a general report on integration of functions but then they found it advisable to make a series of independent studies on the separate functions. Now it is interesting to note that many many studies have been made for purposes of consolidation or integration. I think Dr. Crouch pointed out this morning that going back as far as 1903, or approximately that date, some thought was given to it. We do know that in 1913 the City had the Bureau of Municipal

Research of the City of New York come out here at City expense and make a study on city-county consolidation, and much help was held out that something might be accomplished along that line, and this sort of thing has gone on progressively ever since those dates. It has been stepped up probably more so in recent years because the first report by the Bureau of Governmental Research at U.C.L A. on the general subject was made in 1940 and in that publication they listed 21 other studies, or surveys, and 17 articles - or a total of 38 publications which were available in 1940 on this same subject. They followed this up by making seven additional separate studies, including among them functions in which this Committee is interested - the subjects of fire protection and health administration. Now in the case of the Haynes Foundation, in studies which have been made much more recently, I believe the first general study on metropolitan Los Angeles, a study on integration, was made as recently as 1950 or 1951, and a program was mapped out whereby a total of 18 separate studies would be made covering 18 different local functions of government. Of this number, which is on schedule, eleven have been actually prepared and are available and include law enforcement, sanitation and health, and fire protection, as separate studies, with a fourth study on recreation and parks now in process of preparation.

I mention these various studies because I don't think that we have fallen short in making basic factual

information available as to, generally speaking, what the circumstances are. It is true that there are possibly some points that need to be further enlarged upon, possibly further analyzed, but generally speaking, the factual material is available. When these studies are read carefully and intently and the recommendations that have been made are followed through and, in many cases, they appear to be on a very constructive basis, one is impressed with the earnestness with which many of the surveys have been made but at the same time one is impressed by the lack of facilities that there apparently have been for the purpose of implementing these recommendations. I think it is largely in this field that your Committee is now devoting its time. I believe, furthermore, that in pursuing the possibilities of consolidation with reference to police, fire, health, parks and recreation, a much more extensive analysis will be necessary than can be devoted in a single day to covering the four major subjects. I feel, furthermore, that if your Committee wishes at some future date to conduct a hearing at which the top level department heads, such as the police chief, the fire chief, the health officer, the superintendent of recreation and parks - if it is your desire to have those people appear, I know that Mayor Poulson will be very happy to make the necessary arrangements. He will also appreciate being given ample notice and if there are any particular phases that the Committee would like to have the major departments develop, the Mayor will also be equally happy to make that possible.

I should like to comment a little upon some of the statements that were made this morning. The thing that was made, I believe, quite clear is the fact that we have a fine spirit of cooperation here in Los Angeles County among the County government and the cities. I don't think, however, that it was made clear that in many of these functional consolidations the invitation which is extended here by our County for cities to enter into contracts with the County, the element that was not made clear is the cost element, the fact that certainly it is only a question of fairness that an area or a jurisdiction which receives service, be it on a contract basis or be it without a contract, that area should likewise pay the bill. We heard how in San Diego the City there was paying 60 percent of the health service which was being rendered throughout the County, but not in the City of San Diego. San Diego was paying for its own health service and paying, in addition, for 60 percent of a service that it was not getting. That, gentlemen, is the case here in Los Angeles County. The City of Los Angeles with an assessed valuation of almost 50 percent of the County, is paying its proportionate share for the health service which is being rendered and again it is about 50 percent throughout the County, in addition to supporting its own health department. Now the question might very well be asked at this point, Los Angeles has an opportunity to contract with the County and permit the County to render health service for the City, which is the case, and

yet we also heard this morning that cities should be permitted to make their self-determination on a home rule basis as to whether they want to contract for service or whether they do not wish to contract for service. Now in the case of our city, as it has been pointed out many times in the past, it would be the larger service joining a county service which insofar as number of persons is concerned is less than the service which is already being rendered within the city. Furthermore, the people in the city on the basis of self-determination through a city charter have said that they do want their own health department and that is a basic provision in the city charter. However, there is still that feature of cost which I think the Committee should explore further, particularly from the standpoint of making sure that when services are consolidated that the persons who benefit by such consolidations at least will pay the cost of the service which is being rendered.

ASSEMBLYMAN STEWART: May I ask a question, Mr. Chairman?

CHAIRMAN DOYLE: Yes Mr. Stewart.

ASSEMBLYMAN STEWART: Walter, in any of the studies that you have referred to, are any of them made particularly in regard to the health department?

MR. THIEL: Yes, both the U.C.L.A. and the Haynes Foundation have made an independent study on health administration alone.

ASSEMBLYMAN STEWART: Thank you. I have read some of those reports but I had forgotten that point.

CHAIRMAN DOYLE: Mr. Lanterman.

ASSEMBLYMAN LANTERMAN: Walter, what is the budgetary cost this year, for 1952-53 I guess it would be, or is it 1953-54 - is it laid out now as a budget for health in Los Angeles City?

MR. THIEL: 1953-54. Now I should very much prefer on that, and I do not have the figures here, that if and when the Committee is ready to get down to an actual analysis of the health function that we do have our health officer appear before the Committee.

ASSEMBLYMAN LANTERMAN: You dont want to go into any of that detail today.

MR. THIEL: I am not prepared for that.

ASSEMBLYMAN LANTERMAN: The reason I was asking that was on this breakdown that I have for the health subvention, I wondered what percentage of your total cost the State subvention to the City of Los Angeles amounts to? According to my figures here from the State Controller's Office, it was a subvention for health for Los Angeles City of \$446,000. I was just wondering if you did happen by any chance to know what proportion of the total health bill.

MR. THIEL: I do not have the information but I am sure that when the time comes when the Committee wants to get into that, that detail of costs, we will be prepared.

ASSEMBLYMAN LANTERMAN: Thank you very much. I just wanted that as a comparative figure. Oh, may I ask this one further question? Do you recall when it was that the City and the County were on the verge of a consolidation - how many years ago was that - of a health program?

MR. THIEL: Oh I would say approximately ten years ago.

ASSEMBLYMAN LANTERMAN: About ten years ago. Do you happen to recall any basic reason why it failed? Was it one of those things that was mentioned this morning that constituted the difficulties in San Diego, or what?

MR. THIEL: Well, basically, as I recall the situation at that particular time, it of course would require a charter amendment, and a charter amendment, generally speaking, goes upon the ballot, as you know, either by initiation on the part of the Council or through a petition on the part of the people. .

ASSEMBLYMAN LANTERMAN: The Council did not approve?

MR. THIEL: The Council - and this is no reflection on the Council because I don't think that the Council got into the picture to the extent that the former Mayor did - the former Mayor did get into that picture and no specific report was made to the Council requesting them to consider the possibility of placing it on the ballot. It never reached that stage. It was in the stage of negotiations between the City and the County and for a while, as you know, conditions

looked very good from the standpoint of, at least as far as the two staffs were concerned of the two departments, there was quite a bit of agreement that it could be done.

ASSEMBLYMAN LANTERMAN: May I ask this question then of Dr. Bemis? Didn't our '52 report contain some referrals to the health inequities, etc., in Los Angeles County?

DR. BEMIS: That's right.

ASSEMBLYMAN LANTERMAN: We can have that then, Mr. Chairman, as a part of our background material.

CHAIRMAN DOYLE: Do you have anyone else, Mr. Thiel, that you think we should hear from in your group?

MR. THIEL: Possibly not at this moment. Fowler Jones who appeared this morning is the Legislative Analyst for the City Council and should he come back later in the afternoon, he might wish to appear. Or should Councilman Gordon Hahn come back, he might wish to appear. It may be that in the course of the afternoon, if certain information develops that I should like to make further comment on for the information of the Committee, I may request to be heard again.

CHAIRMAN DOYLE: Very well, fine. Now we have several names here . . .

MR. HILTON: Mr. Chairman, I wonder if we might hear from Mr. Fred Sharp, the City Administrator of the City of Pomona, at this time?

CHAIRMAN DOYLE: Yes. Mr. Sharp.

FRED W. SHARP, ADMINISTRATIVE OFFICER OF THE CITY OF POMONA: Mr. Doyle, and members of the Committee. I am happy to appear before you on a very important subject. I am at a loss here to appear after Walter Thiel, an expert, for I am only, more or less from the cow end of the County.

CHAIRMAN DOYLE: What is your position, Mr. Sharp?

MR. SHARP: I am the Administrative Officer of the City of Pomona.

Mr. Thiel being one of these experts and a city slicker, we have to be careful from out in the country. Of course, whenever I hear the word "expert" (sometimes they refer to me as an expert) I think of one man's definition that "X" is the unknown factor and "spurt" is a little drip under pressure, and I think that's the way we all are, especially with all the hurlyburly and everything going on nowadays. Certainly as Administrative Officer I am interested in getting a job done efficiently and economically and not wrapped up in a particular theory that a particular city in all situations can do a particular job in a most efficient and capable manner. We are always flexible and thinking and trying to do research to seek out better organizational methods and administrative methods in carrying out our daily jobs. We do it all the time between the cities and try as best we can to set up our organizations, certainly on a sound, functional and organizational basis. I think it

behooves all of us to keep in mind that tax bills are going up continuously and that's one thing that more or less prods us on because taxpayers' groups are certainly on the prowl these days. I think as far as any magic of this idea of consolidation, or the forming of districts, or carrying out a particular function on large areas or small areas, we shouldn't fall victims of thinking there is something magic in it. I think that the one guiding thing that always should be before us is that we should go very very slowly and be very, very positive there is a savings or more efficient administration, or certainly a community of interest in the problems in the particular area that we want to organize.

Mr. Thiel brought out - I am sorry I wasn't there this morning and I don't want to reiterate anything that the Committee has heard before, but I certainly feel that the Los Angeles County Sanitation Districts are a fine example where you have situations that can't be handled by one city, or one area. It is an entire region that is involved in a particular problem and sometimes, certainly, it is very closely associated with the health and safety and welfare of the entire populace, both in cities, or between cities and unincorporated areas, if we have a bad sewage disposal problem. In our recent appearance before the Legislature in trying to get the sanitation district acts passed, or modified - incidentally, our bond issue carried 3 to 1 and we appreciate all the help from the folks up in the Legislature, both in the Senate

and in the House, because they did understand the problem and we felt we did have some good legislation - out in the Pomona area we have a sanitation district organized on a 38 square mile area and the urban population, for the most part, and certainly all the rural population, are in close agreement that that was the best and the cheapest and the most practical answer to our problem. It would be very worthwhile to make a study of the area to find out the economic loss and the health hazards over the years because we didn't go into a district venture but rather we jealously tried to keep away from district ventures and it has cost a lot of money and, as I say, the development, industrialization, and keeping the tax rate down, would certainly have been accomplished much sooner if we had had a district in which we would have had a facility to keep up with the growth.

I also want to emphasize before the Committee that certainly when any district or region is organized on an area-wide basis that it is very, very important to recognize that each individual segment within that district should have some representation. I think when you don't have that, that is when all of the frictions, and the howling, and the yelling between us, whether it is cities and counties or vice versa, happen - if you don't have a sounding board and a board of directors for that district with each segment represented. I mention the sanitation districts, probably the finest example of democracy in action in the world, in my opinion.

We had a case of the Air Pollution Control District, and I think the cities are fighting among themselves and the County - all because we don't have that type of representation that we should have. When the Air Pollution Control first organized, we had an open burning dump in Pomona and the first thing we know we have a citation and we were cited into court to do something about cleaning up our mess. Well, we went through the wringer. We didn't lose the case and we did tell the court that we would move toward getting our own house in order. It cost us \$400,000. We built an incinerator and we are probably one of the white spots in the County at this particular time but it left a very bad taste in people's mouths that we had to go through that method of approach to accomplish a simple objective. But even still we have trouble with some of the folks in the County and the only thing that has ever saved us has been the Board of Supervisors. On occasion where the experts have wanted to lower the boom on us, even after we spent all this money and because we have a dump where people come down and throw in so-call non-combustibles periodically, and if we have a Santa Ana that is blowing out into the Cuccamonga area, or somewhere, and a touch of it hits Pomona and gets all of this old stuff under there afire and it causes the County Fire Department and the Air Pollution Control District, the Industrial Waste Disposal, and two or three other agencies, no end of alarm and we get cited, even though it happens once a year, and we still can't get our point of view over.

As I say, if we didn't have a representative in the County, why I am sure that we would have been taken through the jumps again just because those particular things happen. I am just emphasizing that fact that whatever type of district or area-wide organization is ever developed, you certainly ought to look at the policy end of it, the representative end of it, and don't just leave it to us "experts, like Thiel and myself". That was said in quotes incidentally.

I might state also that we are not interested in any type of functional consolidation in order to have fringe areas avoid incorporation or annexation to cities when they are developing into an urban area. We are the largest city in the eastern end of the County and I think over the years we have always been big brothers to everybody, I mean, even though we don't get the credit for it. We put out everybody's fires in San Bernardino County and Los Angeles County, and the people in San Bernardino County build a house out there to be in the country and then they have to have water and so we extend our systems out there, or have over the years, and gradually they want more and more services.

First they want water; then they want sewage; then they want something else. Well, there is no reason why they shouldn't annex to the city. It cost the citizens of Pomona 3 or 4 million dollars to develop a water system. They are still paying off the bonds over a thirty year period. The same way with our sewage. We are paying 85 percent of a 38

square mile area even though we are only fourteen square miles. We pay in the entire Metropolitan Water District. We pay about 65 percent of the whole cost of the Metropolitan Water District in taxes in that entire region, and junior college costs, and all the rest of them. If you go into it, the City of Pomona is actually saddled with the tax burden of the entire area because they do have the ability to pay because they are urbanized and have a high assessed value. But there is no reason to kick them down further and keep extending services out and still not let the people pay for some of the other services that they are entitled to. We took a survey of our swimming pool last summer. We get some assistance from the County. It has been very small in actual dollars and cents to date, but 40 percent of the people who were in the swimming pool were out of town guests. We keep the cost down to a minimum. You don't like to have, this side of the railroad track somebody pays a certain price and this one another, so we give it all for a reasonable figure. We took a survey of our library the other day. Forty percent of the card holders don't even live in Pomona so we do actually serve the whole area and, as I say, we are big brothers. I am bringing these points out that are facts to let the Committee know that they are facts.

Mr. Thiel mentioned one subject that I wanted to touch upon too and that is this matter of health. Certainly these things like air pollution and health and germs going

across ethereal boundaries, that is, certainly everybody recognizes that boundaries are not made for those things and you do have to organize on a large area to handle them intelligently. I think as far as the County is concerned, I mean in organizing the health services, they have what we call a minimum type of service where they have one health officer, a sanitarian for five or six cities out there in a vast unincorporated area, and we screamed for three or four budget years to the County to add more because we got the tip-off from Mr. McDermott, the poor fellow has passed away recently, that we needed a higher standard of service. Well, they have budget troubles and we didn't get it so I certainly feel that the County is giving a very - not a low standard of service - but they are spread pretty thin over the entire County and they are doing jobs out in the unincorporated area where the illness and the disease, and the trucking, and all the rest of it, will be right back into the City of Los Angeles. I know Los Angeles passed an ordinance that said something about chickens. You had to inspect chickens that were sold in Los Angeles so we had to pass an ordinance out in Pomona because they wouldn't accept chickens for the Los Angeles market until we actually had them inspected, so we paid for the inspection out there to have chickens delivered from Pomona into the Los Angeles City Market. I am just mentioning that as a case where this whole thing is wrapped up. I'll state this, the old solgan used to be "Buy a

horse and move to Burbank". Then it was "Buy a half acre in Pomona and operate a poultry ranch" and that has caught up with us too just like the horses in Burbank and now we've got 400 poultry ranches out there that cause all sorts of fly nuisances and everything else. We wanted the County to do it on a contractual basis and you needed a couple of men so we actually hired an inspector to go out there and look at maggots and manure piles and that type of thing, and cite the people and make them obey decent health standards and obey our ordinances and the State laws on the subject. So, when we wanted a service over and above this minimum, we went out and paid for it. I hope some day when the chickens are gone that we will be able to eliminate that person from the payroll - but that's hard too.

Nobody knows it but we've got an air pollution control officer out there. We have about 50,000 smudge pots in the vicinity and the Air Pollution Control District had three or four inspectors in the whole area and they are doing a very fine job, certainly as far as the orchard heaters and all the research that was done. They took the bugaboo out of all this stuff and got down to brass tacks and for the first time in the history of smudging not only helped the farmers but helped all the housewives and everybody in keeping their furniture, and keeping the smudge out of people's homes, but we actually didn't get the type of a job done that we wanted so we also have a smudge officer who goes out at nights,

wakes the kids up out from under the orange trees and sees that the pots are regulated, and everything else, over and above what the Air Pollution Control District can give us. If we have a bad case we get together with the Air Pollution Control District officers; they are the experts and they run the case through the courts. To date we haven't lost one where we have gone along. I think both the County, as far as our helping them inspect the chickens, and as far as Air Pollution Officers are concerned, they have all appreciated the fact that we have assisted them in that manner. So, I am just pointing up some of the problems and the way we do handle them.

Personally I would like to raise this point. I might not be saying the right thing but my experience has led me to believe that this joint powers act, over the long haul, doesn't work as well as a lot of the textbooks say it should; and that is, you find out over the years, certainly 25 or 50 years in the history of a city is a second as far as a person's life is concerned, but it has been my experience in three or four cities that this idea of jointly handling your sewage, or jointly handling your fire alarms, or something else, unless it is carefully spelled out in some kind of a district and where one party can't pull out, or changing conditions within the district, in the cities within the districts, make them grow apart instead of if they were a district originally and they were in there for the good of all

and couldn't be dissolved without a very definite reason that you would be accomplishing the kind of thing that has been accomplished in the sanitation districts. In other words, when you have three cities go together on something, they are still three cities but letting the big one do it; or one of them handles the problem and it goes out to kind of like an appendix. Then nobody knows the complete problem and eventually there is a difference of opinion. I would like to cite the situation in sewage disposal problems in the cities of Hillsborough, San Mateo, and parts of Burlingame in which over the years everything went along very nicely until they had growing pains and the lines needed enlarging here and there, or the plant overloaded and then the City of Hillsborough felt that they were being crucified by San Mateo and there was a terrific amount of friction built up between those cities, all because Hillsborough had its swimming pools in a different problem than the City of San Mateo that went into 50 by 100 foot lot developments, and that type of thing. Another case up there where the cities had joint fire alarms, where San Mateo handled their fire alarm service around the clock, and then because of the National Board, or frictions developed between the personalities, why they developed very expensive equipment in San Mateo and it was certainly much cheaper for all three of them to operate together. Because of egotism, or a new chief, or personality clashes, why Burlingame pulls out. The citizens don't know what it is costing them

to pull out or what the cost is in the loss of service, but nevertheless, after working very nicely for fifteen or twenty years, why then it falls apart. So what good is it when the problem really gets acute? Then there is a falling out among the folks.

Also, I might cite an example in our sanitation district. This whole 38 square mile area decided to go along, except the City of Claremont had a problem where they had a lot of colleges out there that felt they couldn't go along on this assessed value basis. So they pulled apart and stayed out of the formation of the sanitation district. They are still in a sewer suit. They don't know what to do about their problem and if they do solve it outside of the district, it is going to cost them two or three times as much as it will cost them if they are in the district. But the mere fact that we were handling their sewage for 25 years, quietly, and the water runs still and all the rest of it, they never realized the importance of the type of service that was being rendered. But there was no real district where a board met and took positive action and reported back to the council and that type of thing, and there was a falling out there. As I say, I don't know if I am a heretic in saying this - it is my own personal opinion, but I feel that this is the board that should look into the workings of those mechanisms that all the books say works so well. In my opinion, they don't work well when the chips are down.

Well, I am going to stop. I think I have covered most of my points. I appreciate appearing before the Committee.

CHAIRMAN DOYLE: Thank you, Mr. Sharp. It was a little different presentation than we have had heretofore and when we hold our meeting in Contra Costa County we might invite you up to give some of the folks up there some of this information.

ASSEMBLYMAN STEWART: I would like to ask a question.

CHAIRMAN DOYLE: All right, Mr. Stewart. Mr. Lanterman is next.

ASSEMBLYMAN STEWART: Water service now - that is optional with you and your city - whether you extend it outside the city or not. You don't have to do that.

MR. SHARP: Here is the thing, Mr. Stewart. You don't have to do it but I have a case that just came in this morning where there is no water district out there. The folks had a piece of property for years and now they have built a house and those people actually have no water unless they drill a well out there, and we actually have done it just out of pure human kindness.

ASSEMBLYMAN STEWART: Your city council has done that?

ASSEMBLYMAN LANTERMAN: You're just a bunch of softies, aren't you?

MR. SHARP: Just a bunch of softies, yes. But I mean -- no, I think that it is important that the bigger jurisdiction not try to point up their differences - well, we'll go into that tomorrow. Look at the county line out there. That's worse than the Chinese wall or the Alps. In other words, that is the slum end of San Bernardino County and that's our high value district but there is a line that runs up there somewhere that makes a difference. In answer to your question, we do adjust our regulations because the people would be completely out and couldn't utilize their property.

ASSEMBLYMAN STEWART: You are not compelled to do it voluntarily but because you are fine citizens, that's why you do it. You weren't compelled to go out there.

MR. SHARP: No no, not compelled. I will state this, the other day we had a woman who had her kitchen on fire out in the county and we went out there and put the fire out and the fire department waited sixteen minutes for the San Bernardino outfit to get over there to hand them the report telling them what had happened so they could write it. I mean, that's the type of thing . . .

ASSEMBLYMAN STEWART: The answer to that is they had better annex to your city, I would imagine.

MR. SHARP: That's right. We'll work toward that.

ASSEMBLYMAN LANTERMAN: You were talking about the health problem of the County and the minimum service under

county health, I just thought perhaps, just to throw these figures in, that it might be of interest to you that the health subvention for the City of Los Angeles, Pasadena and Long Beach, combined, for 1952-53 was \$526,956; and for the County of Los Angeles to serve other cities by contract, the balance of the cities by contract and all of the unincorporated territory, the balance of the territory other than those three cities, was \$407,000. Now I mean, there is a very marked point there. We all have brought out - Mr. Thiel brought out the fact that they are paying into the County general fund fifty percent virtually of the assessed value on the general fund into the County out of which some of these health costs come. Now the City of Glendale, the City of Burbank, and others, are in this county health service area but still the total allocation, in proportion to population, is that difference between \$526,956 for L.A., Long Beach and Pasadena, and the balance of the entire County and all of the other municipalities is \$407,000. Now I just offer that to you and I was wondering on some of your problems there - you were speaking of the representation and you liked the county sanitation district approach as a local form of representation which seems to you to be far superior to the air pollution district, for instance, where the board of supervisors is by law the legal body.

MR. SHARP: Absolutely.

ASSEMBLYMAN LANTERMAN: Now the question there is one of a countywide function where your air pollution district is the same as your county flood control district - it serves countywide - and by virtue of your county representation through the board of supervisors, how, other than a larger board, could you get any more proportionate representation? Many of the large unincorporated areas certainly are still represented by the one supervisor. Of course I just throw this in for the sake of making a comparison. When 1841 was passed, I asked for some local home rule, for local representation, the very thing you are talking about, that if you are going to have unincorporated territories, which they have a right to be if they want to be, you should have some home rule under that kind of representation of an area service act. But that was thrown out. The same thing holds good. They said your supervisor represents you. Now that was the position of the cities when I presented this proposition as an amendment to the act. The same principle applies, I would say, to a countywide district where you have supervisorial representation by district area, unless the whole concept of supervisors representing the county as a whole for a countywide function is not in accordance with your thinking.

MR. SHARP: I will just state this that a supervisor in Los Angeles County is going a mile a minute all the time and a vast number of things. He can no more tell us what's going on out there as far as air pollution, or as far as flood

control are concerned, and those are the two agencies in Los Angeles County where everybody has it in for flood control because we never get anything. We're just out there and we don't squeak loud enough, and that type of thing, and they could work their hearts out but no one tells us. They have no way to come together in a smaller area, or somebody that is vitally interested in that who sits in - even if the County Board of Supervisors has an advisory committee that is brought up to date quarterly, or something, to carry the message back. Air pollution just suddenly comes out and does something and you don't know the real reason for it and then, of course, you can go in and complain to your supervisor, and certainly they give you every attention, but if it was brought closer - I'm just saying, bring it closer, and if you went after bringing government closer to the people in your particular approach on 1841, why I certainly wouldn't disagree with it.

ASSEMBLYMAN LANTERMAN: I wish you had been there. I didn't get any votes. The theory is the same thing but the question that I have in mind here is simply one of minimum county service in relation to your health problem. Now if you go beyond the State statute which is, in other words, what the County Health Department is supposed to enforce by virtue of its responsibility to the State government, then your local ordinance is over and above that State law, is it not, and is a special function?

MR. SHARP: And we pay for it.

ASSEMBLYMAN LANTERMAN: That's right.

MR. SHARP: And we have a lot of things we pay for that you don't know about and the County doesn't know about. If somebody gets stranded with seven kids in Pomona on Saturday afternoon, what do you do with them? Who gives them a hotel room, a meal, and all the rest of it? The City of Pomona is supporting that type of . .

ASSEMBLYMAN LANTERMAN: You're in the welfare business.

MR. SHARP: Yes, we're in the welfare business too.

ASSEMBLYMAN LANTERMAN: Well, I'm Chairman of the Social Welfare Committee and I'd like to hear about that some other time.

MR. SHARP: All these things - when you start adding up these bills - the big jurisdictions might have the dollars and cents sign but it sometimes asks us what it costs us on a lot of these things. We have them all here. We've got a health budget, a welfare budget, and these other things that we're doing, over and above what we are supposed to do just in order to keep a good municipal corporation serving the people - and all the people as they come in.

ASSEMBLYMAN LANTERMAN: Well, you are extending good will beyond your boundaries for the purpose of good will, isn't that right?

MR. SHARP: That's correct. We're all Americans . .

ASSEMBLYMAN LANTERMAN: Well, its all good business to be good neighbors.

MR. SHARP: That's right.

CHAIRMAN DOYLE: Thank you, Mr. Sharp. Now, who is next?

MR. HILTON: Mr. Chairman, we might hear from the City of Glendale next. Incidentally, I am glad to hear that the City of Pomona took care of the Burbank horses. We have with us three gentlemen from Glendale, Mayor Hal Wright, and he brought along his City Attorney and City Manager. I don't know if he brought them along to speak or to protect him, but at any rate we might hear from Mr. Hal Wright, the Mayor of Glendale, at this time.

CHAIRMAN DOYLE: Thank you. Mayor Wright.

HAL E. WRIGHT, MAYOR OF THE CITY OF GLENDALE:

Chairman Doyle and members of the Assembly, I am Hal E. Wright, Mayor of Glendale.

The matter of compulsory functional consolidation in Los Angeles County has been under discussion for many years. Such proposals seldom are advanced by those who are in favor of strong home rule but are generally advanced by persons more interested in alleged efficiency than local self-determination and by persons in groups which work against the growth and development of cities as the agencies to provide municipal services.

The strength of our Country is dependent upon good, strong, local government maintained by an alert citizenry. Big government seldom has provided the best government, since

it usually stifles initiative and citizen participation. Big government is remote from its citizens - too far away for effective citizen action - and in many cases is more inefficient because of its size. It is not my intention to denounce consolidation of those functions which can be voluntarily and efficiently merged while retaining to local communities the right of self-government. Several of the functions of the cities have been voluntarily merged effectively with the County by means of contracts. Over the years the assessment and levy of taxes has been performed by the County to the satisfaction of the cities, with only occasional dissatisfaction in assessment practices. When there has been dissatisfaction, the cities have presented their grievances to the proper County officials and they were undoubtedly given full consideration. The County tax officials have always been aware that dissatisfied cities had a remedy available, namely, the collection of their own taxes. I believe such freedom of action is desirable and in general will tend to promote more efficient county operations. The fact that some of the cities still collect their own taxes is an indication that even the tax assessment and collection function is still not performed by the County to the satisfaction of those cities.

There has been consolidation of services in the health field, with the County performing health services for many cities under contracts. There is always present the

possibility that a city will institute its own health department if the administration of the health services does not meet with local approval. Under a compulsory health consolidation, the control would be vested in a large health organization which would not be subject to any control by the cities, and it would be difficult for citizens to secure the type of health administration which they desired. It is much easier for such citizen action to take place in small communities. City legislative bodies would undoubtedly continue to retain the right to enact local health regulations, but unless the cities controlled the acts of health administrative officials, the determination of the city legislative body could be nullified by a failure of the County officials to administer the local ordinances.

Standards of fire protection vary throughout the County, and so do fire insurance rates. Each community provides the type of fire protection it wants and feels it needs; a consolidated fire department would eliminate such local determination. We now have a limited consolidation of functions in this field in those units of the County Forestry Department which are primarily responsible for watershed protection. Such units supplement the units of the various cities and of the Consolidated County Fire Protection District which are devoted primarily to structural fire protection. Within the fire protection field, mutual aid agreements effectively provide for aid by one agency to another; but each city

determines the type of fire department it wants and can afford. A consolidated program could only result in higher costs, every fireman receiving equal salary, a salary which probably would equal the pay of the highest paid fireman in the organizations which were consolidated. In addition, bringing many of the fire services up to the high standards of the City of Los Angeles would also increase the total cost of the consolidated services.

Police consolidation might have some benefits, but the detrimental effects would more than offset the benefits. Local police departments reflect the desires of the local communities. Policemen generally live within the communities and are familiar with local conditions and individuals. This should result in greater personal interest in their work. Local police regulations differ because the desires and needs of each community differ. Under compulsory consolidation, the legislative decisions of the local legislative bodies could not control the acts of the enforcement officials and see that their local legislative policies were carried out.

Laws should be enacted to facilitate voluntary functional consolidation rather than mandatory consolidation. Local agencies could then determine whether performance by County officers would meet the needs of the community. An opinion rendered by the County Counsel within the last few weeks points up to the type of law which I believe is desirable. The County Counsel was asked whether certain assessments

levied by the City of Los Angeles pursuant to a Los Angeles ordinance, could be collected by the County for the City. The opinion of the County Counsel was to the effect that the County could not do so without additional legislation.

In conclusion, it is my opinion that the benefits of strong local governments - home rule - far outweigh the alleged benefits from mandatory functional consolidation. In those fields of action where functional consolidation is possible, the laws should be so framed as to permit such consolidation on a voluntary basis. Under voluntary consolidation, County officials would constantly be aware that if their administration should not meet the local needs, the cities could discontinue County administration and substitute their own. Such a program would preserve to the local communities and their citizens the power to control their government, and would avoid the principal evil of consolidated big government, which is that such governments are not within the reasonable control of their citizens.

CHAIRMAN DOYLE: Would you leave a copy of that?

MR. WRIGHT: Yes, I have a copy for you.

CHAIRMAN DOYLE: Mr. Lanterman has a question.

ASSEMBLYMAN LANTERMAN: Mayor Wright, I have been interested in your emphasis on the mandatory term there. Actually, there was nothing anticipated by this Committee in any respect that I know of that had anything in mind as to a mandatory proceeding. In fact, when you take away home

rule by mandatory proceedings you have taken away one of the basic rights of local government and as far as I am concerned, as a member of the Committee, I believe that it is a foregone conclusion that permissive legislation is the only process by which you can afford to live together anyway in local home rule affairs, and I just wanted to assure you, as far as I am personally concerned, that it was not the intent even in this exploratory investigation today, to find that there were areas for further study and development in this field, which undoubtedly there is, that it would be done on the basis of a permissive approach. Otherwise it would be an intrusion into the rights of charter cities, charter counties, and even for that matter, general law cities - and I don't believe any mandatory system - I mean, we could go right back to the fringe area problem and refer to that as a mandatory decision and say that you can't do it. But, if you go back to a permissive approach, there again I think you can find an area of agreement. I just wanted to assure you, as far as I personally am concerned, even though I introduced a bill for the purpose of instigating this investigation, it was only one of several and the bill in itself had no merit from the standpoint of its text, but from the standpoint of its subject it was part of a broad scheme that we should look into. If the bill had a mandatory provision, I might also refer to you, as I did this morning when you were not here, a Constitutional Amendment which I introduced which had a permissive approach within it.

It was purely and completely permissive within the structure of a city government under its own determination that if it cared to consolidate on a fire basis, it could, but it was permissive legislation only. That was not found to be subject to complete agreement on the floor because of misunderstanding and insufficient background study, so I presume that is the purpose of this Committee and our hearing today. Even I recommend it. And I say that advisedly - even I recommend it - that it be exploratory in every respect to find an area in which we can find agreement and then proceed to make a real study out of the specific problems that have been brought before our attention. Thank you for your patience.

MR. WRIGHT: Well, I think, Mr. Lanterman, that at least in our city we would like throughout the years to guard against too much permissive legislation in some fields so that more and more cities begin to think they can take advantage of permissive legislation and then eventually, if we talk about twenty or sixty years or some long period of time, so much permissive legislation is passed that more and more, especially smaller cities, take advantage of it, and then the Legislature says, well, practically everybody is taking advantage of the fire protection and police protection so therefore maybe we can make it mandatory now because it would make it better for everybody, because there are only a few cities left that don't take advantage of it.

ASSEMBLYMAN LANTERMAN: Well, I think in answer to that, it would be simple to say that people, regardless of the size of their city or the size of their community, whether they are incorporated or otherwise, should have the right to make an alternative choice in the matter of how they conduct their affairs. So the question there is not so much whether you think that we might destroy by subsequent action of the Legislature, or enter into a field where a charter city - we can't destroy your charter prerogatives from the legislative standpoint, and the only thing that it would affect perhaps might be the general law cities if the majority of them so decided voluntarily so to do; but even then, I personally would vote against anything of that kind and still leave it on the permissive. And I am going to disagree with you to this effect, that I think that any permissive legislation that is necessary for any body of people to conduct their affairs as long as it is done within the circumscribed benefit to all concerned, that it should be on the books.

CHAIRMAN DOYLE: Thank you Mayor Wright. Councilman Hilton, do you have anyone else?

MR. HILTON: No, thats all we have, Mr. Chairman. If I might, I would like to come up and make my presentation.

CHAIRMAN DOYLE: Very well.

MR. HILTON: Gentlemen, in the light of the conversation here a moment ago between Mr. Wright and Mr. Lanterman, I would like to refer you to the Sales and Local Use Tax Report

that was made to the State Interim Committee.

ASSEMBLYMAN LANTERMAN: Which Committee?

MR. HILTON: This is the State Interim Committee on State and Local Sales Taxes - Ben Hulse's Committee. It is a Senate report - I beg your humble pardon. It is recommended in this report that cities and counties be permitted to contract with the State agency for collection of their retail sales and use taxes. It has been the position of the League of California Cities for many years to support permissive legislation, so there is nothing new or startling about a presentation of permissive legislation. I merely wanted to point out that fact.

In summing up, I would like to thank the Committee for this opportunity to, in fact, correlate the thinking of the cities in this particular area. We were startled into alertness by the letter which we received from Dr. Bemis, through Bob McCurdy over in Pasadena, and it has given us an opportunity to correlate our thinking. In view of the fact that I am known among the League staff as being somewhat the bad boy when it comes to presenting a subject, I never write out ahead of time what I am going to do and I keep them on needles and pins wherever the meeting is being held, wondering what in the world is going to come out. Today I bent over backwards to write something out ahead of time, and being primarily an extemporaneous speaker, I have re-written this presentation at least twenty times today, particularly

this morning when Hal Kennedy and some of the others were speaking. But, one by one I have placed each item back in and as much as I hate to read a presentation and as poor a reader as I am, I think I will go back to the original presentation, because, gentlemen, I believe that it sums up in a general way the things that have been said more specifically by the gentlemen who have represented the cities here this afternoon. So, with your permission I will go back to the original script.

Gentlemen, having received such short notice of this hearing today, I am short on detailed information for presentation at this time, so if you will pardon the inadequacies of my presentation, I will appreciate it. However, as a municipal official, I feel that I am at all times adequately prepared to speak in defense of the inherent qualities of municipal government. I would like to make it clear that city officials have strong beliefs in the fundamental principles of democratic expressions of the people at the grass roots level and that practically to a man we are unalterably opposed to the consolidation of the political boundaries of our cities. Because of the basically democratic nature of municipal government, it will always be difficult to define the position of city officials on any given subject. It is not easy to circumscribe policy on the municipal level where collective thinking and action is required. We always will be loosely knit together and functioning strictly on a voluntary

basis. The policies of the cities on consolidation of functional services have, to my knowledge, never been clearly defined, and to attempt to do so at this time would, as far as I am concerned, be foolhardy to say the least. Many of us in municipal government have given considerable thought to defining what the policies of municipal government should be, in order to preserve our political jurisdictions. However, it has always been extremely difficult to arrive at group decisions because municipal government, being of the grass roots nature, is extremely flexible - flexible, I might say, to the point of weakness. Perhaps in some cases even to the point of being like straws blown in the wind.

I might interject a point here, and Mayor Wright of Glendale mentioned it just briefly in his presentation, that permissive legislation can go too far. I think it is conceivable that my children might hand their children over to me to raise if I permit them to do it. But, I think as a good grandparent that I would demand that they raise them - just to use a simile. I think the point that was made by Mr. Wright was a very good point. You throw permissive legislation out too freely and you have a weakness for acceptance of that permissive legislation which will eventually take the strong along with them. It is the nature of municipal governments. Those of us who serve on legislative bodies in cities serve free of charge and we necessarily give a minimum of our time and energies. Either that or we lose our businesses, which I

have done in the past. But we are in a weak position because of the inherent organization of municipalities and we should not be taken advantage of. Permissive legislation should not go too far. I think that it is up to the State Legislature to protect the interests of the cities, even if it might mean throwing out proposed permissive legislation that might tend to attract the weak.

To go on here - on the municipal level, the tendency of officials is to be over-anxious to prove up a program in the terms of accomplishment by the shortest route and for the quick approval of the particular pressure group that is on hand. So we find that municipal officials are independent thinkers, not too readily adjusted to line of command organization. We are a lot like small business-men running their individual business operations to their own and customer's personal satisfaction, men who in most instances are not readily adjustable to expanded business operations. So, we have not as yet been able to circumscribe a definite city policy for consolidation of functional services. However, we are not totally unprepared to explore this field. We have within the framework of the Los Angeles Division of the League of California Cities quite extensive technical committees that have been functioning for some time. These committees, I believe, can be utilized to develop, and eventually establish, a municipal point of view toward this consolidation of functional service problems which are facing our readily developing metropolitan areas. While I

do not have authorization at this time to offer the services of these technical committees for the development of your studies, not knowing the intent and the desires of my fellow municipal officials, I feel safe in telling you that the findings of these technical committees can certainly be made available to you in the future. These committees are as follows: (I won't attempt to name them all here - just the name of the Committee.) There is the Personnel Sub-Committee - Dion Lapham of Long Beach is chairman of that committee. There is the Fire Services Sub-Committee - G. Correll of Santa Monica is chairman; and there is the Police Sub-Committee and the Health Sub-Committee and Public Works Sub-Committee, the Planning Sub-Committee, the Waste Disposal Sub-Committee, Finance Sub-Committee, Parks and Recreation Sub-Committee, and the City-County Relations Sub-Committee.

These committees, with the exception of the last one are entirely made up of career personnel. They are all specialists. They are all authorities in their field.

I have never been a great believer in bigness, as such. We are misled into believing that purely through consolidation and unification we necessarily have simplification. This is not true. We end up by merely creating bigness and as such, bigness is always inefficient. For example, a man organizes a business. While his business is still small, he has direct contact with his employees and with the various functions of his operations. While he has this direct

contact he enjoys a certain percentage of profit from his business. As his business grows and expands, he perhaps buys up like operations and he loses direct contact. His operation has become big and inefficient through lack of personal contact and he has not been farseeing enough to effect required and proper reorganization through the necessary establishment of line operations control. His margin of profit goes down and he soon fails in business. This is an old story to the businessman. The wise operator places the business of reorganization first and as a result, succeeds in operating a big business successfully. He has thus overcome growth with well thought-out and well planned reorganization. He has not merely become bigger; he has properly organized a big operation. At this point you may wonder what this is all about. I can best answer your question by asking a question. Have you ever witnessed or experienced the orderly reorganization of a government? My observation is no, and you never will. The absorption of one governmental function by another level of government has in most cases resulted in bigger and costlier operation. County functional services are, of course, considered separate from political aspects, and as long as we can consider the problems of these functional services without becoming involved with proposals for political changes, I think that our deliberations can be basic and fruitful. Cities and counties must work together to solve the problems of urban living. Obviously our existing political and

jurisdictional boundaries do not conform to the governmental, social, and economic boundaries, and hence, functional consolidation in certain areas has come about, probably to a greater extent right here in Los Angeles County than elsewhere in the State. But it is not necessary for the cities, as units of the large special purpose district or authority which has evolved, to abdicate the political control to which they are entitled, no matter what that measure. Functional consolidation, as far as the cities are concerned, can only be administrative and not political. It is basically wrong for city officials to sign over their political responsibilities to a political control of any consolidation program. Clearly the answer lies not in a political concept but in the administrative agency. City officials often find that it is more economical to contract for services rendered by government than it is to attempt to perform the service within the framework (my secretary let me down here.) City officials often find that it is more economical to contract for services rendered by, we'll say, county government (I think that is the word that should have gone in there) than it is to attempt to perform the service within the framework of their own municipal government. It is wise to contract for service when it is more economical to do so. Certainly such contract is performed in the interest of the taxpayers. It makes no difference whether this service happens to be purely of local nature or whether it extends beyond the borders of any certain city. Practically all of the

cities in the County of Los Angeles contract to the County for assessing, building, collection of ad valorem and personal taxes. This arrangement has been satisfactory and economical. No one with proper analysis at hand would quarrel with this conclusion.

City health services, in most instances, I believe, have been more economically rendered through contract with the County than they could have been performed directly by local government. Such performances have nothing to do with political aspects. They have been purely good business and as such have continued in use. I don't believe anyone cares whether these contracts happen to be with another level of government or if they can conceivably be performed through a private agency. A contract, no matter with whom it is made, is purely and simply a function, subject at all times to local control. So, the answer to a consolidation program lies not in political concept but entirely within administrative agency.

Before proceeding, I would like to clear up one point about contracts made with the County for functional services. Clearly and simply, we object to paying for a service twice. Cities having contracts with the county for health services, pay directly for this service, which they admit is very reasonable. However, we also pay for maintenance of the health department through our contribution to the general fund. Thus, it is a certainty that if all the cities in Los Angeles County decided to contract for health

services, the direct cost would go up considerably, or we would have to continue paying twice, as we are now.

Here in California we have had considerable experience with functional consolidation with metropolitan agencies or instrumentalities that have been organized to deal with a single problem which can reasonably be handled by a municipality of separate political jurisdiction within the metropolitan area, but which require a unified approach. This cooperative action has developed along three patterns. One of these calls for the cities to hand over to the County their rights and responsibilities. This has happened in Los Angeles County in smog control and it is a wrong method as far as cities are concerned. Another pattern is illustrated by the East Bay Municipal Utilities District where there is a separate board completely independent of six cities which largely comprise the district. The cities, as such, have no voice in the policies and decisions affecting such vital services as water distribution and sewage disposal. This, we believe, is also the wrong approach. The method of approach that has had long and useful trial is the administrative organization of the Metropolitan Water District of Southern California, the agency that brings Colorado River water to the Southland, or the Los Angeles County Sanitation District which collects and disposes of the sewage for more than thirty cities and large unincorporated areas in the County. There is also a similarly organized sewage district

in Orange County. In the Metropolitan Water District, the board of directors is appointed by the mayors and confirmed by the city council, or by the boards of directors of local water districts, and the voting weight is based on the respective assessed valuation of the city. In the Sanitation District, the board of directors is composed of the mayors of the cities within the district, and the chairman of the County Board of Supervisors represents the unincorporated areas. Thus, the identity of the city is recognized and respected, and at the same time, the obvious advantage of collective action through a metropolitan agency is applied. It is significant that the most effective, widely respected, and least controversial of these metropolitan instrumentalities are the ones last named. So, we have conclusive evidence that the job of dealing with local problems that have enlarged and become district problems, can be effectively and economically dealt with without transgressing on local jurisdiction. In general, we believe that any problem that might arise can be similarly dealt with, whether it be parks and recreation, police protection, fire protection, or health and sanitation service.

In summing up, let me again point out that the city officials have been and will continue to be extremely jealous of their rights and privileges under their local jurisdiction. We do not believe that any plan for consolidation of political jurisdiction would be the answer to problems of

consolidation of functional services. We do not believe that controversial services - pardon me - we do not believe that contractual services, whether performed by other levels of government or by private agency - I don't know that I said it right yet, gentlemen. I'm worrying too much I guess about my stroke of laryngitis here. My throat is getting a little sticky. We do believe that contractual services, whether performed by other levels of government or by private agencies, definitely have their place in city fiscal policy. We do believe that there have been sufficient demonstrations of the advantages in districts such as I have mentioned being formed for the specific function of metropolitan concepts.

It has been a pleasure to have had this opportunity to appear before you and I want to assure you that the cities of Los Angeles County are indebted to you for your time and energies in the solution of the very complex problems encountered whenever far-reaching studies of this kind are attempted. Please be assured of our support and cooperation. That is my formal presentation, gentlemen.

CHAIRMAN DOYLE: Thank you very much, Mr. Hilton. Mr. Lanterman, would you like to ask you a question?

ASSEMBLYMAN LANTERMAN: Mr. Hilton, again I think that what we, as a Committee, and I am not speaking for the Committee but I am speaking of the intent that was behind this study, was to explore, and I don't believe, again, that we want to find whether there is anything in the nature of an imposition

or an intrusion out of the political rights and privileges of city government. I believe that it has been the policy in every metropolitan center, not only in the United States but in the world, for some consolidation, politically; and actually what we were looking at here is a functional consolidation, not political consolidation. I don't believe that was what motivated us in our study at all and while you have made your point very clear, I think it would go without saying that the cities would be opposed to political consolidation. It is only where your functional consolidation should be of benefit to the taxpayers collectively that you would be interested, and then you, as the political body (if you were the mayor or the councilman of that city) would be politically responsible to your group to make a decision to save them money in a consolidation of functional service. So, I am just tossing this in again to answer your position. As far as I'm concerned, I think it is absolutely essential that we keep in mind that we are not even discussing political consolidation. We're talking about functional consolidation.

MR. HILTON: Well, Mr. Lanterman, I have been under the impression that that was your position, and I'm very happy that is your position - and I mentioned the political aspects today more to get it into the record of our thinking. It goes, without being said of course, that the local official is jealous of his prerogatives in his position and he is going to protect them, its true, but in a matter of this kind where you are

exploring a field and attempting to point a way of study to arrive at definite answers, I felt in reflecting our position that it would be well to put everything in there rather than to be general - put it in and then there could be no question about it. We aren't happy at all about the trend that our smog problem has taken. We feel that the whole original concept is wrong and will have to be corrected probably in time to come. We do like the experience we have had with such things as the Metropolitan Water District. It has been very satisfactory where local control has been vested there and it remains there and it is a part of the basic policy of the organization. We want that in all concepts of functional services. We appreciate the fact, and no one appreciates it more than I do who slaved around for over two years now on sales tax, the problems that are involved in the business world and among our citizenry where cities have failed to get the unity of action, the unity of thinking, so that a man doing business here has the same experience when he does business over there. Those things we are aware of and we realize that it has been, possibly, the fault of the cities that it hasn't been corrected. But I know for myself, I am particularly anxious that the studies of this Committee, when the direction is once pointed, when you once decide now this is the proper direction to go, that we could have played some small part in directing the action of the Committee along the lines of preserving that local control, that local grass-roots control over every

problem that is facing us on these . . .

ASSEMBLYMAN LANTERMAN: When you refer to smog control - in other words, you do not agree with the Legislature when it set up the act that an elective body should be the governing body of the smog - that it should be an appointive body?

MR. HILTON: I am not an authority on the smog subject and perhaps I shouldn't mention it. It is Warren Dorin's subject. A.I. Stewart here can take me all apart on it and I prefer not to get involved in it.

ASSEMBLYMAN STEWART: I'm not saying a word!

MR. HILTON: Differences of opinion are . . .

ASSEMBLYMAN LANTERMAN: I just want to point out that the Metropolitan Water District deal is strictly an appointive affair.

MR. HILTON: That's right.

ASSEMBLYMAN LANTERMAN: And it is appointed by elected representatives and your smog is set up by the Legislature to point to a district of the State Government which is the county as a boundary and its elected representatives. I mean it is two concepts.

MR. HILTON: It is two concepts, right.

ASSEMBLYMAN LANTERMAN: One is appointive and one is elective, and it was the legislative viewpoint, as I recall it, that the elective body should be the legal body.

MR. HILTON: It is two concepts and certainly I was interested in the finding that was made in the court the other day when a local attorney of Pasadena tried to get a mandamus against one of the oil companies and he was told that that was strictly a political matter - if he didn't like the way the board of supervisors was enforcing the law, get a new board of supervisors.

ASSEMBLYMAN LANTERMAN: Well, after all, the cities do elect the board of supervisors. Just in closing, I want to make this comment. You spoke of the council members and the members of the city body, the elected body, saying they worked virtually as a gift - shall we say a municipal contribution to civic welfare. You are talking to legislators who are doing just very close to that and giving full time to it.

MR. HILTON: You can say that again with my blessing. I would like to say that in no light do I consider our presentation by the cities today as a conclusive action. It is merely a starting point and there is nobody who can backwater faster than I can if I find out I'm wrong, and I'm sure that we all reserve the right to learn as we go - and that's our approach today - to present the facts as we see them now and let's work on them from there. If we come up with something entirely different than we anticipated today, that's fine as long as it is in the interest of good service to our community.

CHAIRMAN DOYLE: Thank you very much for your comments. We appreciate your bringing your committee here to

make the presentation that they have. Now we have others on the list. I won't read them off. Who wishes to be next? Mr. Gretz - fine.

LOUIS A. GRETZ, LEGISLATIVE CHAIRMAN OF THE LEAGUE OF INCORPORATED COMMUNITIES: I guess for the record I had better state my name, hadn't I,

CHAIRMAN DOYLE: They probably all know you, Mr. Gretz, but . .

MR. GRETZ: Lou Gretz, Legislative Chairman of the League of Unincorporated Communities.

This has been quite enlightening to me today, particularly, hearing all the experts from the cities saying that they are so favorable to home rule. I know that this particular Committee has to do with the consolidation of functional services. It has been my experience, and of very recent date, that we in the unincorporated areas - they have attempted to take the right of home rule away from us. I think that in the consideration of a subject as broad as this that lets forget the political considerations and take into consideration people and their basic desires. It has been my privilege to talk to a number of people up and down the State not only in unincorporated areas but in some cities, that basic functions should be consolidated to a great extent, but each community, and don't forget that many unincorporated communities have just as much identity and have progressed just as much as many of the municipalities in the State of California

and they have developed their areas and have gone out and bought services. We have had to go out and buy them on our own initiative as people, not as elected officials. For the benefit of those who don't know, I happen to have been in chamber of commerce and association work for a great many years and as a consequence of that type of activity we have gone out and advocated efficiency in government because we are the ones who pay the bill. People whom I represent pay it and naturally we are attempting to find a method of having these bills less costly and not spread over so many areas as they are at the present time. In the consolidation - and in Los Angeles County we have found that, for instance, the fire protection districts have effected many economies, and that refers to the structural fire department. We have built up and paid for, in the counties, the second largest fire department west of the Mississippi River, second to Los Angeles City. We find that in it we have built up an efficient operation and it has been free, most free, of any political control, because the minute that that department - and I'll go further and say that our Sheriff's Department which functions for us - and incidentally we pay a great part of that - have been free of any political - and as we all should recognize, with all due respect to all of the city officials here and all elective officials, we are all subject to a lot of pressure. Yes, I represent a pressure group, but fortunately those in this pressure group simply have been aroused because of the condition that they have seen

growing that they be forced into doing something or joining something which they did not care to do. And in this subject here, I think I shall furnish this Committee with a recent article that appeared in Fortune Magazine as to habits of people and the way they are moving. It is most interesting.

My good friend, Mr. Hilton, has talked about industry. I, fortunately, am familiar with industry. At one time I was an industrial engineer. We organized. We knew where we were going. I happened to be one - I wasn't an expert - but I assisted in the reorganization of quite a few businesses and that's what you are doing here in this Committee - to reorganize one of the biggest businesses in the State of California, the rendering of services.

Gentlemen, that's my statement.

CHAIRMAN DOYLE: Thank you very much, Mr. Gretz. Now do we have someone else who would like to be heard? Any County officers here this afternoon who have anything to say? Individuals or organizations?

Well, gentlemen, if that concludes your presentation, we will close this meeting. Again I want to say for the Committee that we appreciate very much the efforts on your behalf in bringing these matters to our attention. I hope that in the spring, or some time next year, we can come back to the Los Angeles area and hold another meeting and more or less boil down these points to something more specific and will enable us to go before the 1955 session of

the Legislature and do something of benefit to all of you.

ASSEMBLYMAN LANTERMAN: May I ask . . ?

CHAIRMAN DOYLE: Mr. Lanterman, you have a question?

ASSEMBLYMAN LANTERMAN: May I ask, Mr. Chairman, is it your intention to ask the League of Cities, the Los Angeles Division, as well as the other divisions in the State, or collectively through their headquarters office, to have their sub-committees prepare recommendation reports, such as was outlined by Mr. Hilton - the various services your sub-committees represent, fire, police, and so and so and so, down the line, and to look upon this thing collectively as a recommendation or perhaps a functional source of material for the Committee with some statistics or some data that the Committee might be able to utilize, if that is in accordance with Dr. Bemis's ideas? I think that that would be very helpful to have that material funneled into the Committee with recommendations and observations of these various committees.

MR. HILTON: If it is the desire of the Committee, I will certainly go back to the Board of the League and propose that we make this material available. As I said, I don't have any authorization at this time but there is no question in my mind but what such material can be made available and I will be very glad to do that.

ASSEMBLYMAN LANTERMAN: Well, that was the purpose of our meeting today to be able to come to you and ask directly, in the light of what you said, some of these things.

Now I just want to read one thing here if the Chairman will bear with me on it and that is the question about the cost area of the unincorporated territories, the area of the functional problems there and the in-lieu tax. I just wanted to point this out and I had, just casually, at the last agenda meeting we had down here, but this is the first time I have had these figures. Now the total in the motor license fees in-lieu tax that was subvented directly to the incorporated cities of Los Angeles County amounted to \$14,340,000 and the total subvented to the County of Los Angeles was \$12,791,000. Now it is my understanding, and I can be corrected on this, it is just a casual observation, that the \$14,340,000 is the proportionate allotment to cities on the basis of 50 percent of the total in-lieu, on the basis of population to the cities in their proportion to their population, it is 50 percent of the total in-lieu, and then 50 percent of the remaining total in-lieu is apportioned to counties on a population basis. Now we have here then the cities of Los Angeles County receiving \$14,340,000 in this one subvention and the County receiving \$12,791,000, which, as I understand, goes into the general fund, and yet this allocation to cities on the basis of population is a proportionate return by the collecting agency, the State, directly to the corporate unit in proportion to the contribution of the taxpayers of that community because it is derived from that source of the in-lieu license tax, and yet the funds that come

to the County, which in this instance is \$12,000,000 - 50 percent in proportion to population - but that money is going into the general fund totally, and anything that is derived in the nature of a city service receives the benefit of that full in-lieu 50 percent County allotment. Now the question that I raised several weeks ago in this matter has to do with whether or not a population breakdown of the County's contribution, or the County's allotment, should not be made in relationship for an inside and outside rate as a fixed earmarked fund, the same as it is returned to city government by direct subvention. It is just something to think about and it has something to do with some of these proposed costs that are paid for by cities and still it is implied that some of the services rendered to the County areas that are not paid for by direct district charge, they are not entitled to, even in view of this in-lieu proportion that should have gone, by direct subvention, to the area contributing it. It is just something to think about and I throw that in for part of the background material on some of these costs.

CHAIRMAN DOYLE: Thank you very much, Mr. Lanterman. With that, gentlemen, the meeting will be adjourned.

MEETING ADJOURNED 3:50 P.M.